Retail Research	: IPO Note
Sector	: Infrastructure
Price Band (INR)	: 76 to 81
Issue Type	: Bookbuilding IPO

About The Company

Company 18 February 2008 ko incorporate hui thi aur iske promoter Mr. Madhusudan Sarda hain. Company ka core business gabions, rockfall protection netting aur geosynthetic products ka manufacturing, designing, supply aur on-site installation hai, jo mainly civil engineering, infrastructure aur environmental protection projects me use hote hain. Company double twisted hexagonal steel wire mesh gabions, defence gabions, PP rope gabions, high tensile rockfall protection netting, reinforced geomat aur high strength flexible geogrids manufacture karti hai, jinka use landslide protection, slope stabilization, river protection, mining aur defence projects me hota hai. Company ka vision government departments, contractors, private clients, consultants aur authorities ko geotechnical, geosynthetics aur ground improvement solutions provide karna hai, jisme design ke saath-saath turnkey execution bhi shamil hai jaise ash pond geomembrane lining aur mining sector ke drainage systems. Company ke solutions roads & highways, railways, airports, irrigation & water resources, energy & power, mining, defence, real estate aur IITs jaise research institutes me use hote hain, jahan landslide protection, railway track safety, airport runway protection, river channelization, flood protection aur ash pond formation jaise applications cover kiye jate hain. Ab tak company 63 projects independently execute kar chuki hai jinki total value ₹114.23 crore hai, aur currently company ka order book ₹145.27 crore ka hai. Manufacturing unit Paonta Sahib, Himachal Pradesh me located hai, jabki registered office New Delhi aur marketing offices Guwahati, Mumbai aur Bangalore me hain, saath hi 9 project offices pan-India presence ko support karte hain.

Company ke paas strong in-house team hai jisme **7 geotechnical** design engineers aur **36 civil engineers** shamil hain, jo end-to-end EPC model (Design, Engineering, Procurement aur Construction) follow karte hain. Gabion manufacturing process me wire drawing, galvanizing, optional PVC coating, mesh weaving aur final inspection shamil hoti hai. Company government aur private dono tarah ke projects ke liye tender aur bidding process me participate karti hai aur ISO 9001, 14001, 45001, IS 16014, OHSAS 18001 aur Bhutan Standards jaise certifications hold karti hai. Manufacturer-cum-contractor model company ka major advantage hai jisse cost control, quality assurance aur better margins possible hote hain, aur iski key strengths one-stop solution, competitive pricing, high quality standards, timely delivery aur innovative products jaise PVC coated, pre-filled aur modular gabions hain.

Issue Details	
IPO Open Date	06-Jan-25
IPO Close Date	08-Jan-26
Price Band (Rs)	76 to 81
Lot Size	1600 Shares
Issue Size (Rs Cr)	36,00,000 shares
Face Value	RS 10 per share
Sales Type	Fresh Capital
Issue Type	Bookbuilding IPO
Listing At	BSE, SME
Share Holding Pre Issue	99,75,360 shares
Share Holding Post Issue	1,35,75,360 shares
QIB Share	47.38%
Retail Share	33.33%
NII Share	14.27%
Promoter Holding Pre Issue	100.00%
Promoter Holding Post Issue	0.00%

Shareholding Pattern (%)	
Mr. Madhusudan Sarda	56.17%
Mrs. Urvashi Sarda	7.04%
M/s ARS Merchants Private Limited	18.03%
Ms. Priyanandini Sarda	18.73%

Objects of the Issue	Estimated Amount (INR Cr.)
Working Capital Requirements	22.11
Meeting Capex Requirements for purchasing of plant and machinery	1.06

Issued On : 03/01/20226
Prepared By : Aarti Tiwari
Email ID : aartitiwari818@gmail.com

GABION TECHNOLOGIES INDIA LTD

RISK

- Geographical Concentration Risk: Sales kuch specific regions par dependent hain; wahan government spending slow ya project delays hue to revenue aur profits impact honge.
- Raw Material Supplier Risk: Limited suppliers par dependency hai; supply disruption ya price hike se cost badhegi aur margins ghat sakte hain.
- Government Tender Dependency Risk: Revenue ka ek hissa government tenders par dependent hai; project award na hone par order book aur growth affect hogi.
- Registered Office Rental Risk: Registered office rented hai; lease termination ya rent hike se limited operational disruption ho sakta hai.
- High Competition & Low Entry Barrier Risk: Industry me entry barrier low hai; price war aur execution pressure se margins aur market share impact honge.
- Conflict of Interest (Promoter Related) Risk: Promoter related entities similar business me engaged hain; non-compete na hone se business diversion ka risk hai.
- Negative Cash Flow Risk: Project delays, late payments ya cost overruns se cash flow negative ho sakta hai.
- Regulatory & License Risk: Licenses aur approvals renew na hone par penalties ya operations ruk sakte hain.
- Intellectual Property Risk: Designs aur know-how ka weak protection competitive advantage kam kar sakta hai.
- Manpower Intensive Business Risk: Skilled labour shortage, wage inflation aur labour laws se cost aur timelines impact honge.
- Statutory Filing Lapses Risk: Past compliance lapses future me penalties aur regulatory action ka risk badhate hain.
- Board Experience Risk: Kuch directors ka limited industry experience strategic decision making ko affect kar sakta hai.
- Legal Proceedings Risk: Ongoing legal cases ka adverse outcome financial loss aur reputation damage la sakta hai.
- Contract Labour Risk: Contractor non-compliance par company par direct legal aur financial liability aa sakti hai.
- Strike / Labour Dispute Risk: Labour unrest se production aur project delivery delay ho sakti hai.
- Working Capital Intensive Risk: Long execution cycle ke kaaran heavy working capital chahiye; funding tight hui to growth impact hogi.
- Debt & Financing Risk: Existing debt aur covenants breach hone par loan recall ya operational restrictions aa sakte hain.
- GST Compliance Risk: GST filing delays ya errors se penalties aur interest lag sakta hai.
- EPF Compliance Risk: EPF non-compliance par labour penalties aur legal issues aa sakte hain.
- Promoter Personal Guarantee Risk: Personal guarantees revoke hone par liquidity pressure badh sakta hai.
- Execution & Reputation Risk: Time aur quality issues se penalties, client dissatisfaction aur future orders loss ho sakta hai.
- Machinery / Equipment Cost Risk: Actual machine cost zyada nikli to capex badhega ya plans delay honge.
- Bank Guarantee & LC Risk: BG / LC arrange na hone par projects milna mushkil ho sakta hai.

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RISK

- Dividend Uncertainty Risk: Dividend profits, cash flow aur bank restrictions par depend karta hai; guaranteed nahi hai.
- Project Cost Overrun Risk: Labour, material ya site condition changes se margins directly impact honge.
- Seasonality Risk: Monsoon aur government spending cycles se quarterly performance volatile ho sakti hai.
- High Fixed Cost Risk: Orders kam hue to fixed costs margins par pressure dalenge.
- Equipment Obsolescence Risk: Machine breakdown ya outdated technology se competitiveness kam ho sakti hai.
- Input Cost Inflation Risk: Steel, fuel aur labour cost badhne par margin squeeze ho sakta hai.
- Promoter Cost vs IPO Price Risk: Listing ke baad psychological selling pressure aa sakta hai.
- Objects of Issue – No Monitoring Risk: IPO funds ka use management discretion par hoga; execution risk zyada hai.
- Change in Fund Utilisation Risk: Cost ya priority change hone se expected returns impact honge.
- Related Party Transaction Risk: Arm’s length na hone par profit diversion ka risk hai.
- Restrictive Bank Covenant Risk: Bank approvals ke bina growth plans delay ho sakte hain.
- Tender Cost Estimation Risk: Galat estimates se project unprofitable bhi ho sakta hai.
- International Expansion Risk: Currency, regulatory aur execution risks foreign markets me badhte hain.
- Business Strategy Execution Risk: Expansion aur order book growth plans fail ho sakte hain agar execution weak raha.
- Bank Concentration Risk: Loans limited banks par dependent hain; terms strict hui to liquidity risk badhega.
- Equity Dilution / More Debt Risk: Future fundraising se EPS aur share price pressure aa sakta hai.
- Capacity Utilisation Risk: Assumed utilisation achieve na hua to profitability impact hogi.
- Safety & Accident Risk: Accidents se legal liability aur reputation damage ho sakta hai.
- Fraud / Theft / Negligence Risk: Financial loss aur operational disruption ka risk hai.
- Funds Utilisation – No Monitoring Agency Risk: IPO proceeds par independent oversight nahi hogi.
- Unverified Data Risk: DRHP data inaccurate nikla to valuation aur trust impact hoga.
- Future Penalty / Demand Risk: Tax, GST ya labour demands se financial hit ho sakta hai.
- Equity Dilution & Promoter Selling Risk: Future share sale se ownership dilute aur price pressure aa sakta hai.
- Listing Risk (SME Platform): Timely listing aur liquidity ki koi guarantee nahi hai.
- No Trading History Risk: Listing ke baad price aur volume highly volatile ho sakte hain.
- Price Volatility Risk: Share price issue price se neeche ja sakta hai aur exit mushkil ho sakti hai.

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RISK

- Force Majeure Risk: Natural calamities se projects aur manufacturing disrupt ho sakte hain.
- Tax Regime Change Risk: Tax rate ya compliance changes se profitability ghat sakti hai.
- Economic Slowdown Risk: Infra spending slow hone par order inflow kam ho sakta hai.
- Global & Geopolitical Risk: War, oil shock ya recession se cost aur funding impact hogi.
- Political Stability Risk: Policy changes se tenders delay ya cancel ho sakte hain.
- Labour Law Change Risk: Naye labour laws se compliance cost badh sakti hai.
- Foreign Ownership Restriction Risk: FDI limits se foreign demand aur valuation impact ho sakta hai.
- Anti-Takeover Law Risk: Acquisition premium ka upside limited ho sakta hai.
- Foreign Capital Raising Restriction Risk: Overseas funding options limited reh sakti hain.
- Pre-Emptive Rights Restriction Risk: Future issues me ownership dilute ho sakti hai.
- India Credit Rating Downgrade Risk: Borrowing cost badh sakti hai aur liquidity tight ho sakti hai.
- Interest Rate Risk: Interest rates badhne par EMI aur finance cost increase hogi.

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REVENUE BIFURCATION AND KEY PERFORMANCE INDICATORS

Particulars	FY23	FY24	FY25
Manufacturing			
Gabions	4826.3	5,079.62	4814.46
Tail Mesh Gabions	13.34	6.72	2.97
PP Rope Gabions	90.9	30.58	0
High Strenght Flexible Geogrids	4.06	33.26	31.46
DT Mesh Netting	221.15	272.23	450.06
RockNet - high tensile netting	24.35	64.99	139.52
Ring Net	0	0	20.5
Geocomposite - StrongMat	129.15	27.74	228.56
Gabion Mattress	192.02	437.23	0
Defence Gabion	29.13	0.77	8.92
Rockfall Barrier	23.27	83.83	27.39
Total (A)	5553.67	6,036.97	5723.85
Trading			
Nonwoven Geoxtile	150.72	218.76	154.86
PET Geogrids	274.95	140.27	206.79
Jute Geotextile	83.17	80.41	149.97
Coir Mat	33.68	45.18	75.96
Self-drilling Anchors	104.13	174.75	12.5
PVC Drainage pipes	12.9	42.95	8.18
Woven Geogrid	9.45	7.67	5.43
PP Geogrids	35.37	44.46	124.11
Solid TMT Anchors	19.07	35.14	1.29
3D Geocomposite Drain Sheet	29.47	20.84	29.03
Chainlink Mesh	11.9	45.55	41.08
3D PP Geomat	0	1.3	13.78
Fabric Form Mattress	0	0	92.69
Connector Rod	0	0	35.17
Total (B)	764.81	857.28	950.82
Services			
Government Works Contracts	506.42	1,537.30	1130.27
Private Works Contracts	261.3	28.91	851.41
Government Works sub-contracts	767.79	2,008.08	985.21
Design Consultancy	21.8	7.9	394.82
Total (C)	1557.31	3,582.19	3361.71
Grand Total (A+B+C)	**7875.79**	**10,476.44**	**10036.38**

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SECTOR – WISE REVENUE BIFURCATION

Particulars	FY23	FY24	FY25
Private Sector	6987.16	8001.62	6457.61
Government Sector	888.63	2474.82	3578.77
Total Export Sales	7875.79	10476.44	10036.38

GEOGRAPHY – WISE REVENUE BIFURCATION

Particulars	FY23	FY24	FY25
Domestic Sales	7,851.55	10,400.61	9,958.86
Export Sales	24.24	75.83	77.52
Total	**7875.79**	**10476.44**	**10036.38**

Particulars	FY23	FY24	FY25
Export to Bhutan	24.24	68.27	77.52
Export to Nepal	0	7.56	0
Total Export Sales	**24.24**	**75.83**	**77.52**

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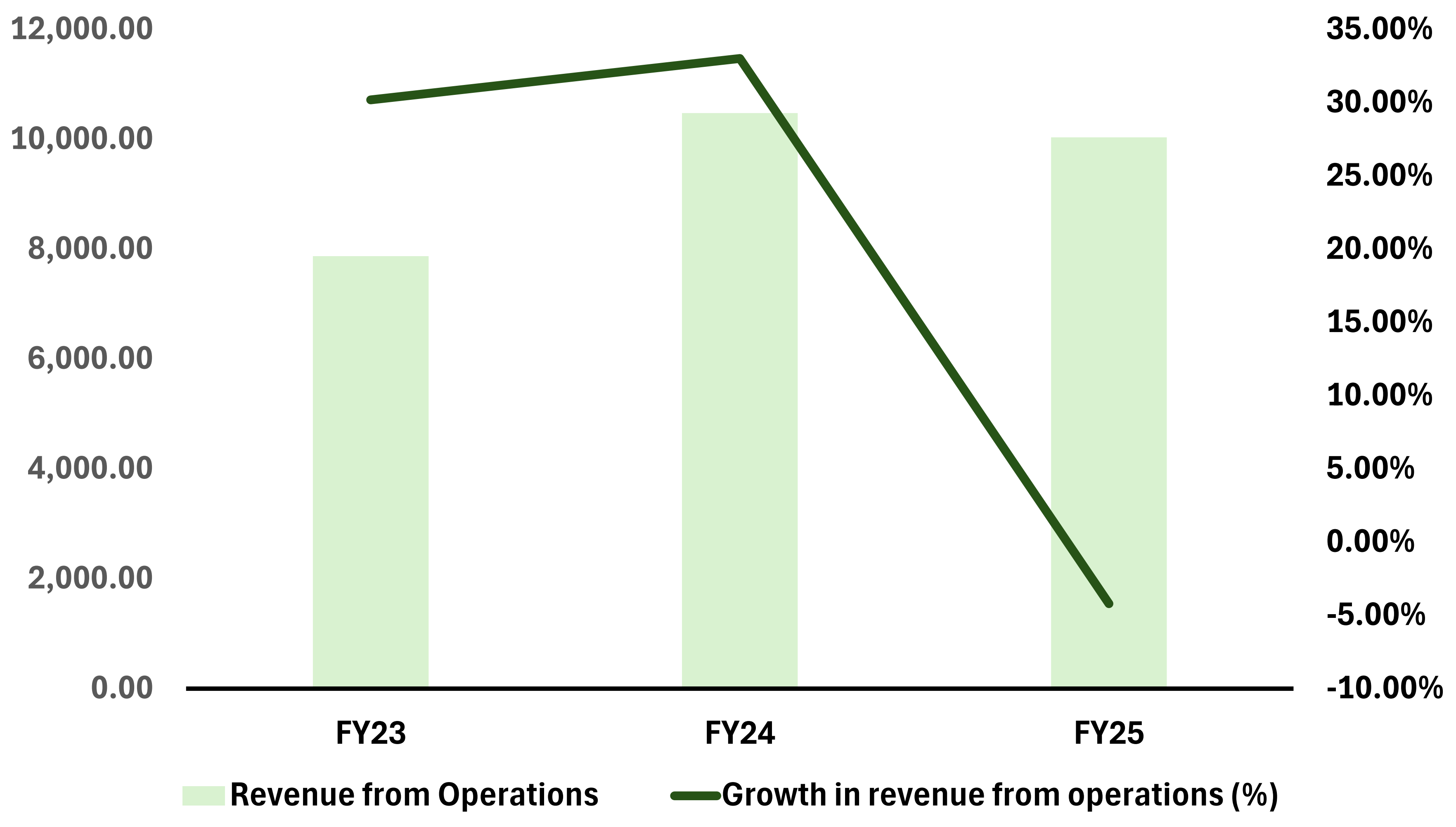
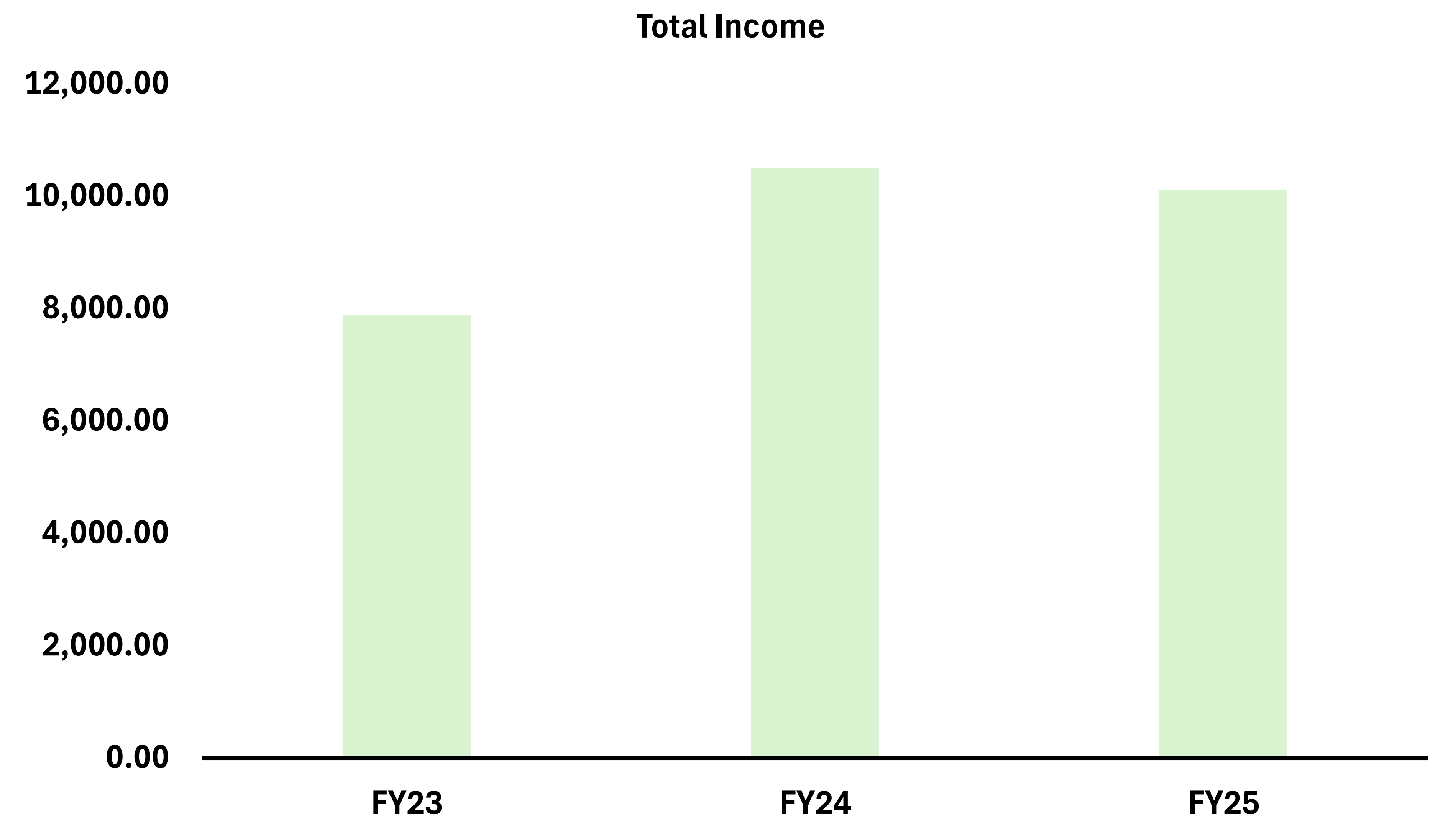
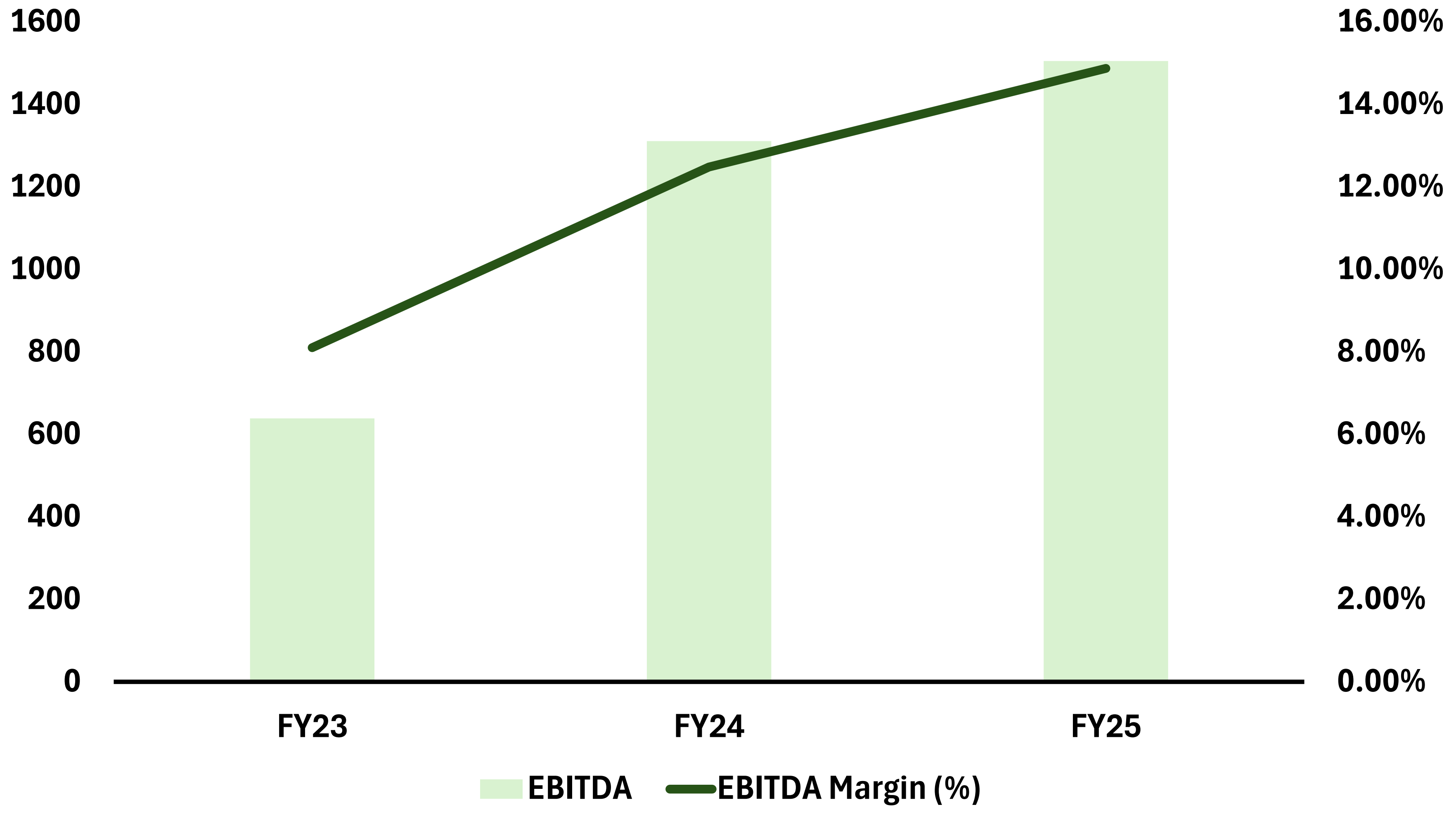
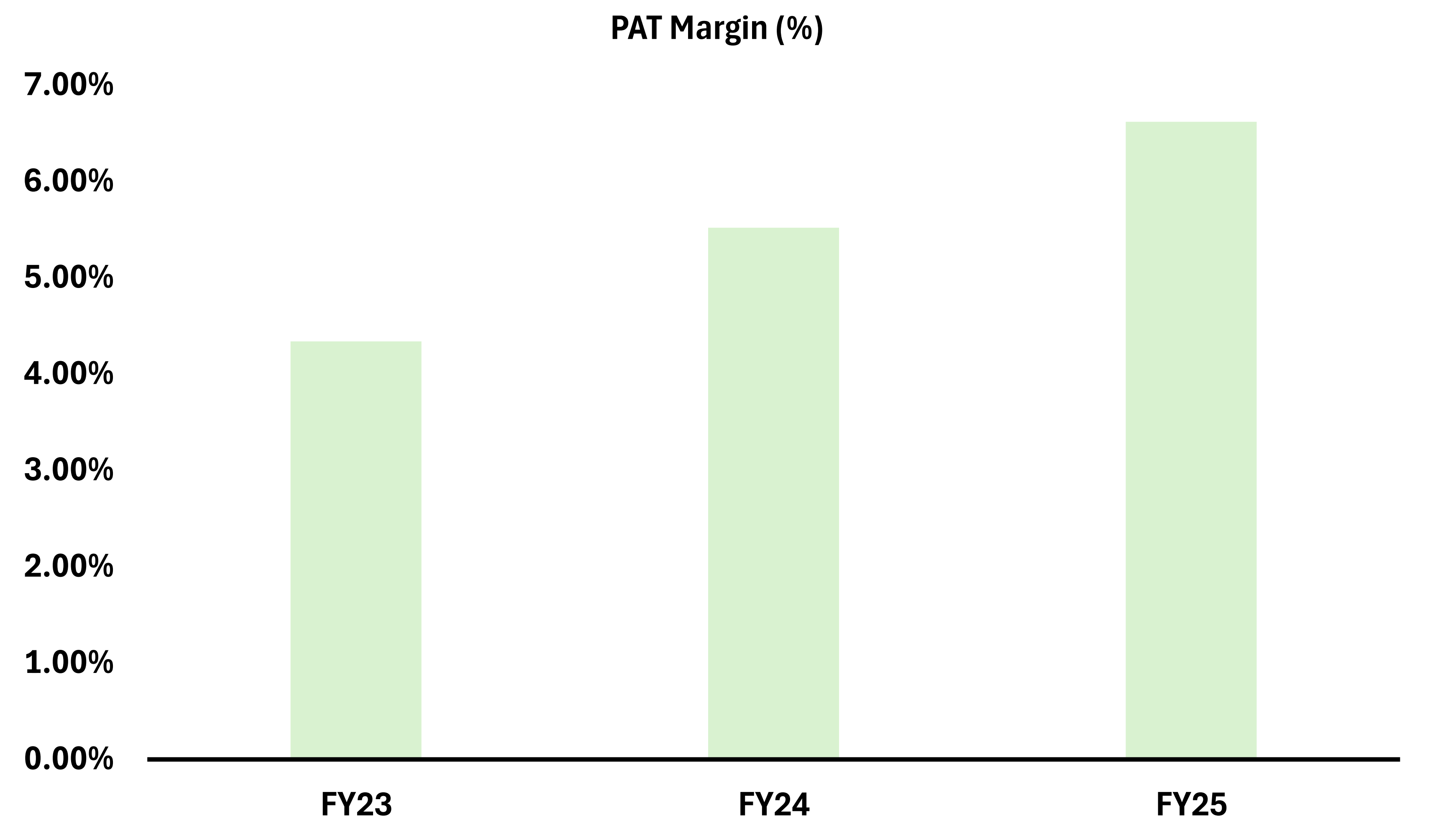
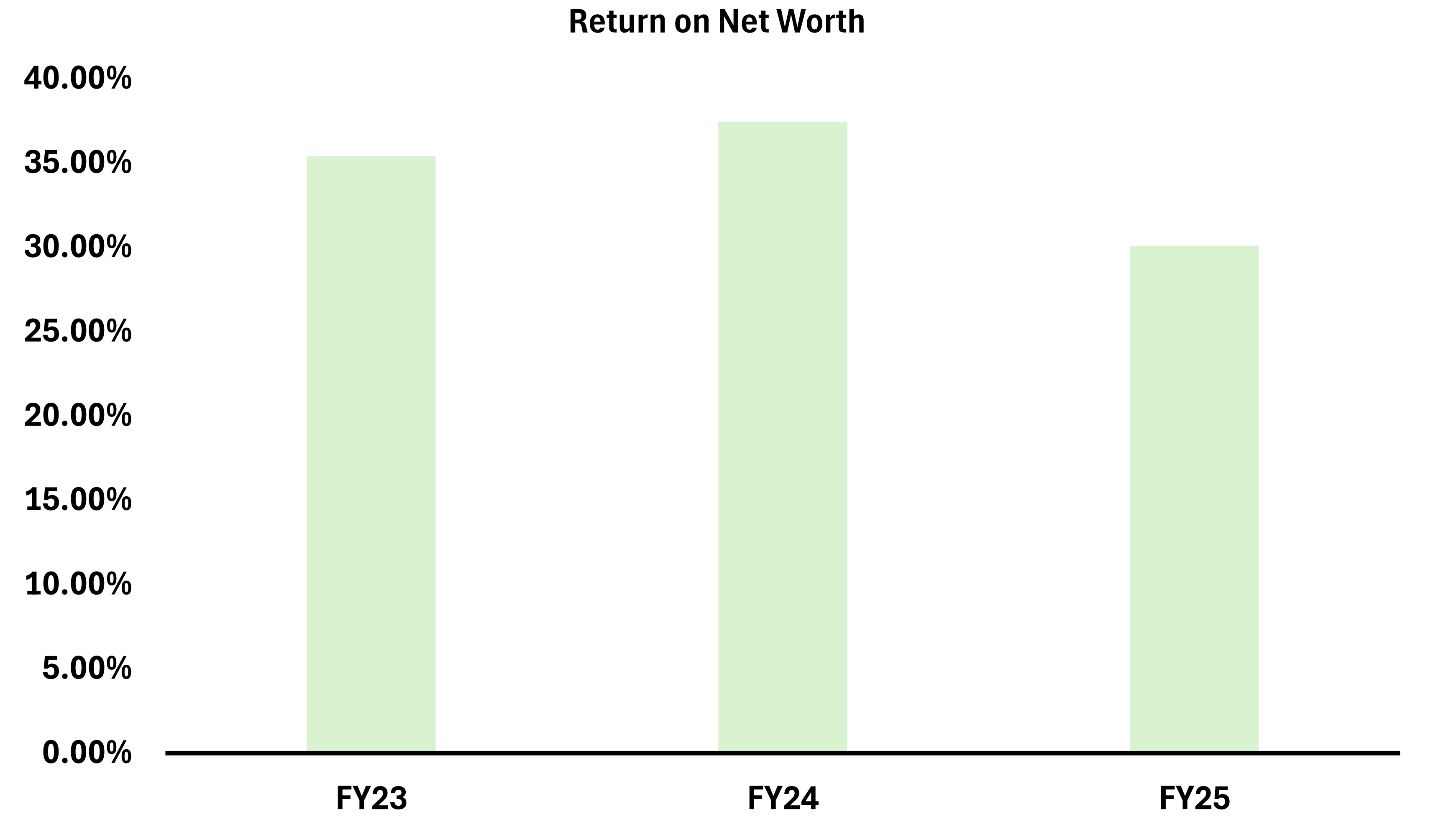
FINANCIAL ANALYSIS

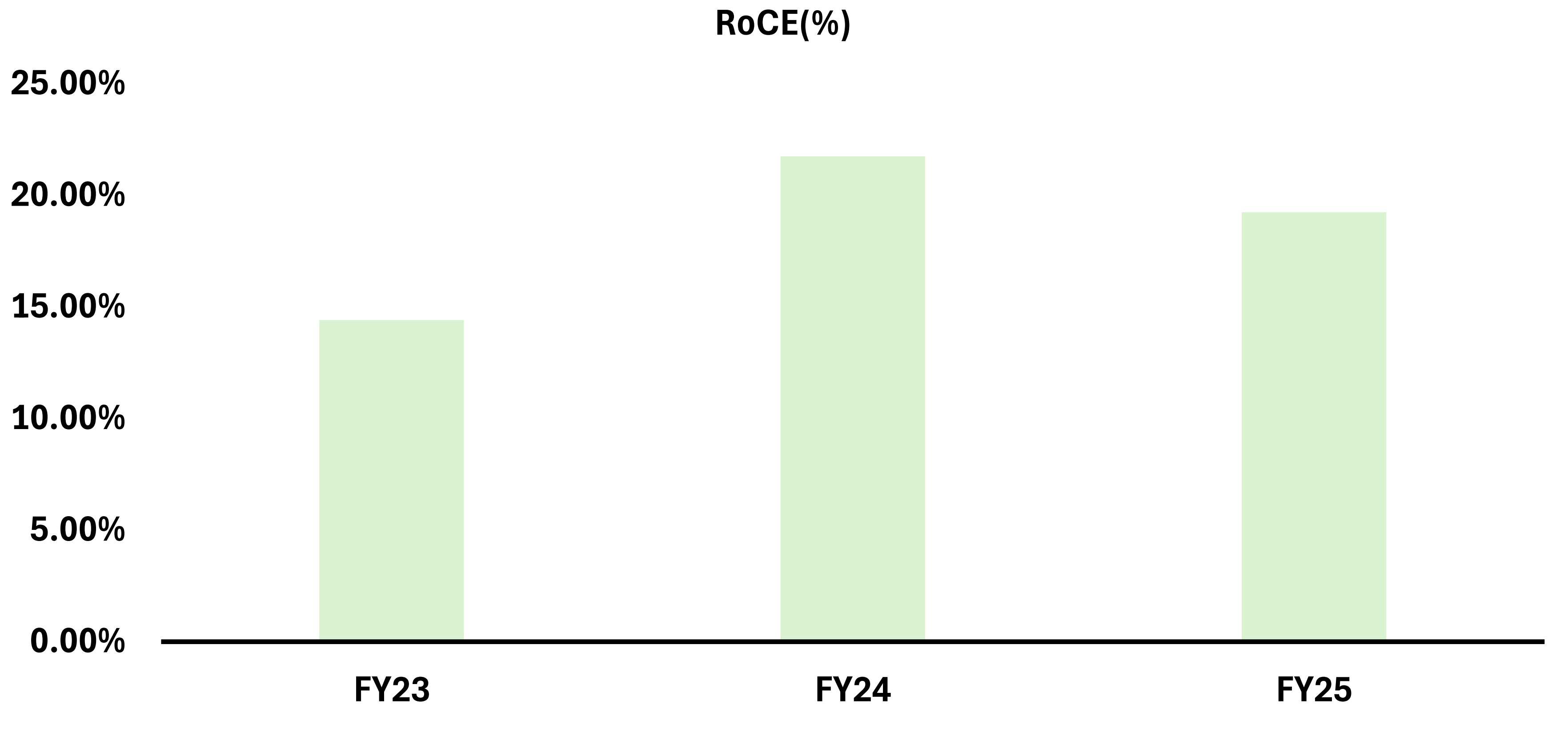


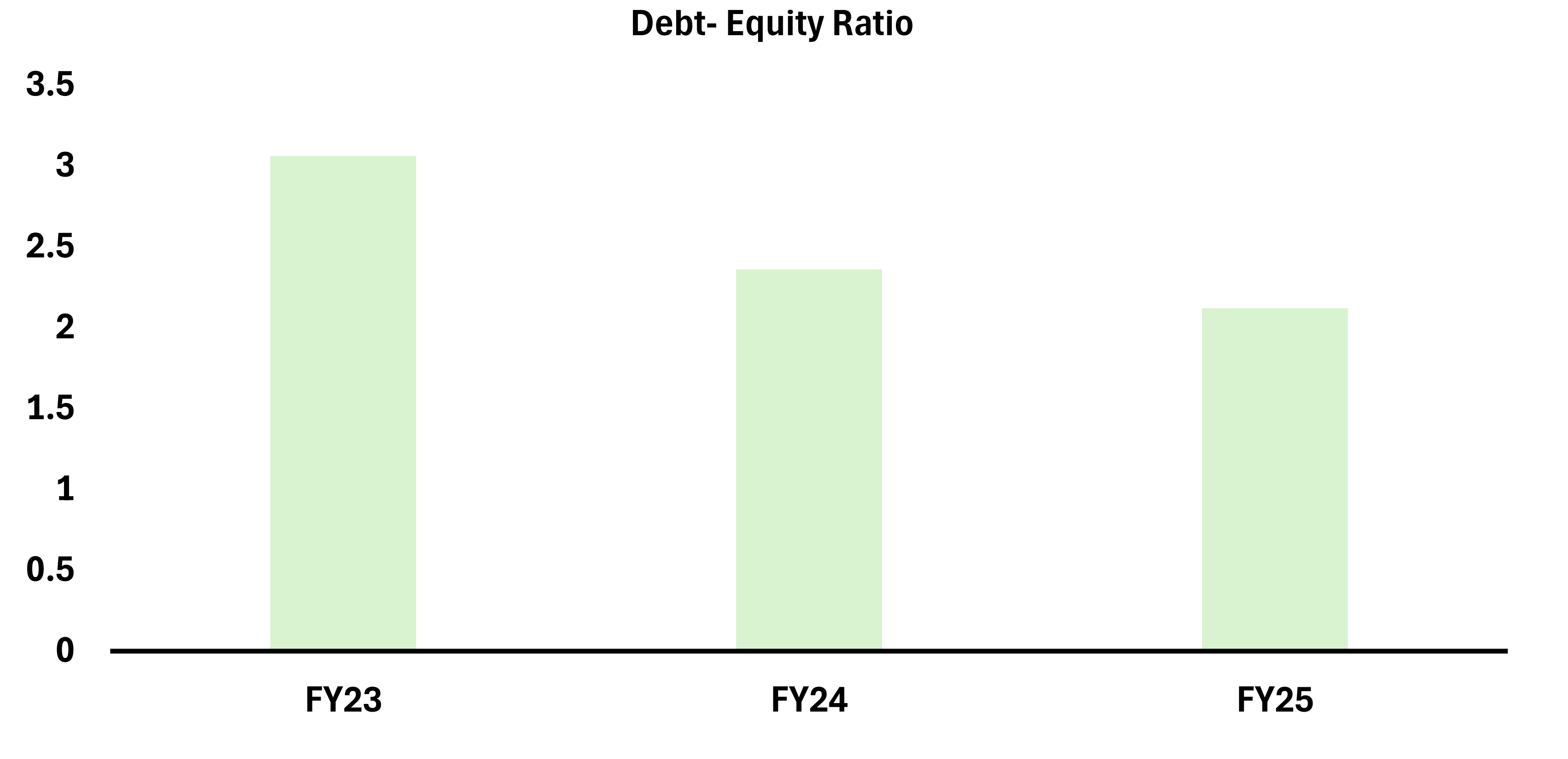












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