



IPO NOTE

GARUDA CONSTRUCTION AND ENGINEERING LIMITED



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ISSUE OFFER

Issue Opens on	OCT 08, 2024
Issue Close on	OCT 10, 2024
Total IPO size (cr)	₹264.10
Fresh issue (cr)	₹173.85
Offer For Sale (cr)	₹90.25
Price Band (INR)	92-95
Market Lot	157
Face Value (INR)	₹5
Listing At	NSE, BSE
Market Capitalization (cr)	883.9

ISSUE BREAK-UP (%)

QIB Portion	<div style="width: 50%;"></div>	50%
NII Portion	<div style="width: 15%;"></div>	15%
Retail Portion	<div style="width: 35%;"></div>	35%

PROMOTER HOLDING %

Pre Issue	Post Issue
96.81%	67.56%

INDICATIVE TIMETABLE

Basis of Allotment	11-10-2024
Refunds/Unblocking ASBA Fund	14-10-2024
Credit of Share to Demat A/c	14-10-2024
Listing Date	15-10-2024

Garuda Construction and Engineering Limited is a construction company. The company provides comprehensive construction services for residential, commercial, residential/commercial, infrastructure, and industrial projects.

OBJECTS OF THE ISSUE

- Working Capital Requirements.
- General Corporate Expenses.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2024	FY 2023	FY 2022
Equity Share Capital	37.37	12.46	12.46
Net Worth	119.01	82.61	41.79
ROCE %	46.69%	70.85%	40.46%
Revenue	154.47	160.69	77.02
Operating Profit Margin %	32.49%	34.85%	35.27%
Net Profit of the year	36.44	40.80	18.78

FINANCIAL RATIOS OF FY24



D/E



P/E



Asset Turnover

OUTLOOK & VALUATION

- Strong order book and project diversification are key strengths of the business.
- The PE ratio is in line with industry peers, but the return on net worth is superior.
- FY23 saw strong growth in revenue and profit, while FY24 was sluggish due to the election year.
- The business faces some risks due to its cyclical nature.
- Investors with a higher risk appetite can consider applying to the IPO for long-term growth potential.



COMPANY PROFILE

- The company is engaged in civil, industrial and infra related construction activities and providing related services.
- Company had a strong order book worth Rs. 1408.27 cr. for 12 ongoing projects.
- Company provides end-to-end civil construction for residential, commercial, residential cum commercial, infrastructure and industrial projects and additional services for infrastructure and also hospitality projects.



COMPETITIVE STRATEGIES

- Thrust into the Construction and Development segment.
- Increase the focus on and execute greater number of projects on a lock-and-key basis.
- Expanding Construction activities across sectors.
- Continue focusing on timely completion.
- Continue to maintain an asset-light model for the business operations.
- Expanding geographical footprint.



KEY CONCERNS

- Total revenue comes from only the top 10 clients.
- The construction industry is cyclical and sensitive.
- The company had negative cash flow.
- Profitability is significantly dependent on the performance of the real estate market.
- Operate in a competitive industry.
- Operations require significant working capital.



KEY STRENGTHS

- Exclusive and focused business approach.
- Established and proven track record.
- Strong project management capacity and execution capabilities.
- Strong financial performance and healthy balance sheet.
- Visible growth through increasing order book.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (Basic)	NAV	P/E	TOTAL INCOME (In CR.)	ROCE (%)
Garuda Construction & Engineering Ltd	4.87	15.92	19.50	154.47	46.69%
Peer Group					
PSP Projects Limited	34.16	254.13	20.00	2,530	18.98%
Capacite Infraprojects Limited	16.09	223.44	23.61	1,963.65	14.24%
Vascon Engineers Limited	3.05	44.33	22.66	1,075.44	8.25%
Ahluwalia Contracts (India) Limited	55.95	238.84	22.97	3,891.94	21.05%
B L Kashyap & Sons Limited	2.33	22.02	48.67	1,256.76	31.56%



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