



**IPO Note**

**B. R. Goyal Infrastructure Limited**

Recommendation: **APPLY!**

**Company Background -**

- **Incorporation:** B. R. Goyal Infrastructure Limited was originally incorporated as “M/s. Balkrishna Ramkaran Goyal” on Aug 04, 1986. The registered office is located at Madhya Pradesh, India.
- **Business Activity:** The company is engaged in the construction and development of infrastructure projects such as roads, highways, bridges and buildings.
- **Revenue Stream:** The company derives majority of its revenue from EPC contracts.
- **Human Resource:** The company has 614 employees as on Sep 30, 2024.

**Objects of the Issue -**

- Funding Capital Expenditure requirement
- Funding working capital requirement
- Funding expenditure for inorganic growth through acquisitions & other strategic initiatives and General Corporate Purposes

**Promoters Name -**

Brij Kishore Goyal, Balkrishna Goyal, Gopal Goyal, Rajendra Kumar Goyal, Yash Goyal, Uppal Goyal, M/s. B. R. Goyal Holdings Private Limited

**Rationale for recommendation -**

- ✓ The PE ratio of 55.13 post issue annualized basis makes it aggressively priced, but in FY2024 the company had a PE of 10.73.
- ✓ The company’s top line and bottom line have increased consistently over the over the years.
- ✓ The profitability margins have seen a slight dip in FY2024 which should not be a major concern (Refer Recommendation)
- ✓ The company had positive cash flow from operations over the years.
- ✓ The company has good order of Rs. 87,339.70 lakhs.
- ✓ The company has vast experience in the industry.
- ✓ The management is decent.
- ✓ The industry prospect is good and is growing rapidly with government initiatives.

**IPO Details**

|                       |                           |
|-----------------------|---------------------------|
| Opening Date          | Jan 07, 2025              |
| Closing Date          | Jan 09, 2025              |
| Allotment Date        | Jan 10, 2025              |
| Listing Date          | Jan 14, 2025              |
| Stock Exchange        | BSE SME                   |
| Lot Size              | 1,000 Shares              |
| Issue Price Per Share | ₹128 to ₹135              |
| Issue Size            | 85.21 Cr.                 |
| Fresh Issue           | 85.21 Cr.                 |
| Offer for Sale        | -                         |
| Application Amt       | ₹ 1,35,000 (1,000 shares) |

**INDUSTRY - EPC**

Avg. P/E ratio as per RHP - 20.75

| KPI's      | KPIs (In Lakhs) |           |          |          |
|------------|-----------------|-----------|----------|----------|
|            | FY 22           | FY 23     | FY 24    | Jul-24   |
| Revenue    | 22,488.2        | 34,622.29 | 58,875.9 | 15,550.7 |
| EBITDA     | 1,889.5         | 2,670.61  | 3,245.58 | 535.65   |
| Net Profit | 756.08          | 1,733.50  | 2,188.91 | 194.46   |
| RoCE       | 10.08%          | 14.80%    | 15.95%   | 1.80%    |
| ROE        | 8.64%           | 16.54%    | 17.28%   | 1.51%    |
| P/E        | 31.47           | 13.55     | 10.73    | 55.13*   |

\*Annualized

**Promoter Share Holding Pattern**

|           |            |
|-----------|------------|
| Pre-Issue | Post-Issue |
| 99.31%    | 73.00%     |

**Valuation Parameters**

| Particulars     | Pre-Issue | Post Issue* |
|-----------------|-----------|-------------|
| EPS             | 12.58     | 2.45        |
| BVPS            | 145.73    | 67.81       |
| P/E             | 10.73     | 55.13       |
| P/BV            | 0.93      | 1.48        |
| Mkt Cap (In Cr) | 236.42    | 321.63      |

\*Annualized

**Lead Managers -**

**Beeline Capital Advisors Private Limited**

**Registrar -**

**Link Intime India Private Limited**

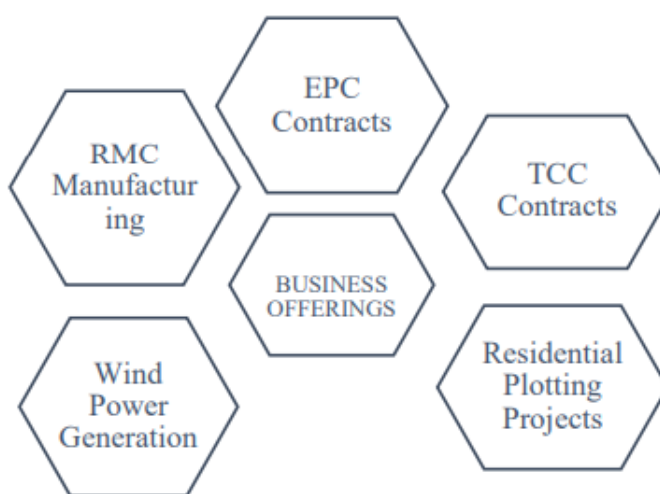
## Business Overview -

B. R. Goyal Infrastructure Limited is engaged in the construction and development of infrastructure projects such as roads, highways, bridges and buildings. They carry out EPC services for third parties (majorly for government departments), primarily in the roads & highways, commercial complex, industrial parks, housing projects and HAM (Hybrid Annuity Mode) Projects. The company is also engaged in wind power generation, manufacturing of Ready-Mix Concrete (RMC) and Toll Collection Contract (TCC).

**Order Book:** The company has 26 ongoing projects and has an outstanding order book of Rs. 87,339.70 lakhs as of Sep 30, 2024. These projects are being carried out in Madhya Pradesh, Maharashtra, Gujarat, Manipur, Mizoram, Haryana and Uttar Pradesh.

**Manufacturing Unit:** The company has one manufacturing unit located at Indore, Madhya Pradesh. The capacity utilization remained at 25.90%, 25.07%, 20.37% and 29.88% for Sep-24, FY24, FY23 and FY22 respectively.

## Services Offered:



## Revenue Bifurcation –

(Amt in Lakhs)

| Particulars                             | FY 2022          |                | FY 2023          |                | FY 2024          |                | Jul-2024         |                |
|---|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
|   | Amt              | %              | Amt              | %              | Amt              | %              | Amt              | %              |
| Contract Receipts (EPC)                 | 15,916.94        | 70.78%         | 27,611.87        | 79.75%         | 40,458.36        | 68.72%         | 10919.46         | 70.22%         |
| Toll Collection                         | -                | -              | -                | -              | 15,353.57        | 26.08%         | 3292.31          | 21.17%         |
| Machine Hire and Transportation Charges | 414.89           | 1.84%          | 401.38           | 1.16%          | 208.52           | 0.35%          | 84.29            | 0.54%          |
| Wind Power Generation                   | 45.49            | 0.20%          | 33.57            | 0.10%          | 49.38            | 0.08%          | 13.35            | 0.09%          |
| Plot Sales                              | 37.40            | 0.17%          | 900.81           | 2.60%          | 527.44           | 0.90%          | 59.31            | 0.38%          |
| Sale of Products                        | 5,806.07         | 25.82%         | 5,483.99         | 15.84%         | 1,893.56         | 3.22%          | 1066.89          | 6.86%          |
| Business Auxiliary Services             | 267.47           | 1.19%          | 190.67           | 0.55%          | 385.08           | 0.65%          | 115.13           | 0.74%          |
| <b>Total</b>                            | <b>22,488.26</b> | <b>100.00%</b> | <b>34,622.29</b> | <b>100.00%</b> | <b>58,875.91</b> | <b>100.00%</b> | <b>15,550.74</b> | <b>100.00%</b> |

**Subsidiaries:** The company has 3 subsidiaries –

- BR-DSR Lateri Shamshabad Private Limited** - The company aims to develop SPVs for road rehabilitation in Madhya Pradesh, construct and manage diverse infrastructure projects, and provide urban infrastructure facilities, emphasizing public-private partnerships and modernization.
- B R Goyal Tollways LLP (Formerly Known as BR Goyal Tollways Private Limited)** - The company focuses on constructing, developing, maintaining, and operating roads, highways, bridges, and infrastructure projects via agreements with government bodies, leveraging EPC/BOT/HAM models and joint ventures.
- BRGIPL JV KTIL LLP** - The company engages in construction, development, and colonization, acquiring and managing properties, infrastructure, and industrial projects, offering consultancy, labor, and materials, and providing comprehensive civil and industrial services.

**Competition -**

- 1. Market Competition:** The industry is competitive where the key factors of competition primarily comprise of type of project, total contract value, potential margins, the complexity, location of the project and risks relating to revenue generation etc.
- 2. Geographic Competition:** The company faces competition from small and large players in both organized and unorganized sector.
- 3. Barriers to entry:** Low barriers to entry.
- 4. Threat of Substitutes:** High threat of substitutes.
- 5. Bargaining Power of Buyers:** The bargaining power is high with the customers.
- 6. Bargaining Power of Supplier:** The bargaining power is low with the suppliers.

**Business Strategies -**

- The company intends to continue to leverage existing technology and adopt new technologies, designs and project management tools to increase productivity and maximize asset utilization in capital intensive activities.
- The company intends to expand geographically and execute projects in other states as well.
- The company has installed a wind mill with a capacity of 1.25 MW at Jaisalmer (Rajasthan).
- The company has also set up an RMC manufacturing unit with an installed capacity of 1.80 lakhs cubic meters per annum.

**Risk Factors -**

The company is highly dependent on top 10 customers for its revenue which constitutes 77.32%, 82.42%, 81.44% and 70.61% for Jul-24, FY24, FY23 and FY22 respectively.

The company is highly dependent on top 10 suppliers for their procurement of raw materials which constitutes 58.73%, 45.53%, 53.08% and 66.23% for Jul-24, FY24, FY23 and FY22 respectively.

The company has 9 cases against it for tax and civil matters amounting to Rs. 278.10 lakhs and has filed 6 cases for criminal and civil matters amounting to Rs. 835.78 lakhs.

The directors/ promoters have 10 cases against them for tax matters amounting to Rs. 16.55 lakhs.

The company has contingent liabilities of Rs. 9,973.99 lakhs as of Jul-24.

The company had negative cash flow from operations for Jul-24.

**PEER ANALYSIS -**

| Particulars   | B. R. Goyal Infrastructure Limited |        |        | Teerth Gopicon Limited |        |        | Udayshivkumar Infra Limited |        |        |
|---------------|------------------------------------|--------|--------|------------------------|--------|--------|-----------------------------|--------|--------|
|               | FY 22                              | FY 23  | FY 24  | FY 22                  | FY 23  | FY 24  | FY 22                       | FY 23  | FY 24  |
| NP Margin     | 3.36%                              | 5.01%  | 3.72%  | 0.51%                  | 4.34%  | 11.00% | 6.63%                       | 5.57%  | 5.13%  |
| EBITDA Margin | 8.40%                              | 7.71%  | 5.51%  | 2.53%                  | 7.84%  | 17.40% | 13.51%                      | 11.22% | 8.91%  |
| RoCE          | 10.08%                             | 14.80% | 15.95% | 1.87%                  | 21.92% | 63.72% | 20.95%                      | 14.30% | 21.90% |
| ROE           | 8.64%                              | 16.54% | 17.28% | 2.63%                  | 20.73% | 59.96% | 19.85%                      | 11.13% | 17.22% |
| EPS (INR)     | 4.29                               | 9.96   | 12.58  | 0.20                   | 2.12   | 14.45  | 3.39                        | 3.49   | 5.44   |
| P/E           | 31.47                              | 13.55  | 10.73  | -                      | -      | -      | -                           | -      | 8.85   |

- The market cap of the company is slightly high compared to Udayshivkumar Infra.
- The PE ratio of the company can't be compared as the peers were listed recently.
- The RoCE and RoE of the company is low compared its peer.
- The NP margin and EBITDA margin of the company has seen a similar trend as Udayshivkumar Infra.
- The cash conversion cycle of the company is better compared to its peer.

## INDUSTRY OVERVIEW -

### Indian Infrastructure Industry -

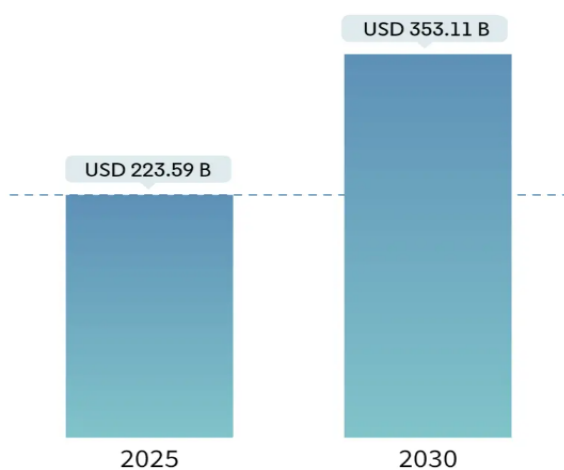
India's high growth imperative in 2023 and beyond will significantly be driven by major strides in key sectors with infrastructure development being a critical force aiding the progress. Infrastructure is a key enabler in helping India become a US \$26 trillion economy.

In Interim Budget 2024-25, capital investment outlay for infrastructure has been increased by 11.1% to Rs. 11.11 lakh crore (US\$ 133.86 billion), which would be 3.4 % of GDP. As per the Interim Budget 2023-24, a capital outlay of Rs. 2.55 lakh crore (US\$ 30.72 billion) has been made for the Railways, an increase of 5.8% over the previous year.

#### India Infrastructure Sector Market

Market Size in USD Billion

CAGR 9.57%



(Source: Mordor Intelligence)

The infrastructure sector has become the biggest focus area for the Government of India. India's GDP is expected to grow by 8% over the next three fiscal years, one of the quickest rates among major, developing economies, according to S&P Global Ratings. India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for development of Northeast to undertake strategic infrastructure projects for the region.

### Indian Road Industry -

India has the second-largest road network in the world, spanning a total of ~6.7 million kilometres (kms). This road network transports 64.5% of all goods in the country and 90% of India's total passenger traffic uses road network to commute.

National highway construction in India increased at 5.3% CAGR between FY14-FY23. Despite pandemic and lockdown, India has constructed 10,457 km of highways in FY22. In FY23, the Ministry of Road Transport and Highways constructed national highways extending 10,331 kms. Under the Interim Budget 2024-25, the Government of India has allocated Rs. 2.78 lakh crore (US\$ 33.46 billion) to the Ministry of Road Transport and Highways.

India's road network has grown 59% to become the second largest in the world in the last ten years. India has nearly 66.71 lakh km of total road network and the National Highways network alone stood at 146,145 km in CY 2023.

The Government of India has allocated Rs. 111 lakh crore (US\$ 1.4 trillion) under the National Infrastructure Pipeline for FY25. The roads sector is likely to account for 18% capital expenditure over FY25.

The Union Minister of State for Road, Transport and Highways has stated that the Government aims to boost corporate investment in roads and shipping sector, along with introducing business-friendly strategies, which will balance profitability with effective project execution. According to the data released by Department for Promotion of Industry and Internal Trade Policy (DPIIT), FDI inflows in construction development stood at US\$ 26.54 billion between April 2000-December 2023.

**Key Management -**

|   |   |
|---|---|
| <b>Key Management Persons Name -</b>              | <b>Brij Kishore Goyal</b>   |
| <b>Age</b>  | 60  |
| <b>Designation and No. of years of experience</b> | Promoter, Chairman and Managing Director, 18+ years of experience in Civil Construction Business  |
| <b>Qualification</b>                              | No formal education   |
| <b>Responsibility</b>                             | Responsible for overseeing Company's operations, setting strategic direction, ensuring the efficient use of resources, liaising and negotiations with various departments of the Government and also overlooks processes including tendering, bidding and planning the projects and looks after the quality checks in respect of various projects undertaken by the Company |
| <b>Other Directorships</b>                        | Samarpit Agritech Private Limited, B.R.Goyal Tollways LLP etc.  |

|   |  |
|---|--|
| <b>Key Management Persons Name -</b>              | <b>Rajendra Kumar Goyal</b>  |
| <b>Age</b>  | 66   |
| <b>Designation and No. of years of experience</b> | Promoter and Whole-time Director, 31+ years of experience in Road Construction Projects  |
| <b>Qualification</b>                              | No formal education  |
| <b>Responsibility</b>                             | Responsible for purchase and maintenance of technical equipments and also overlooks site management and is responsible for the smooth functioning of on-site work including employee management. |
| <b>Other Directorships</b>                        | BR-DSR Lateri Shamshabad Private Limited, B.R.Goyal Tollways LLP and B.R.Goyal Constructions LLP   |

|   |  |
|---|--|
| <b>Key Management Persons Name -</b>              | <b>Gopa Goyal</b>  |
| <b>Age</b>  | 63   |
| <b>Designation and No. of years of experience</b> | Promoter and Whole-time Director, 31+ years of experience in Infrastructure Business   |
| <b>Qualification</b>                              | No formal education  |
| <b>Responsibility</b>                             | Overseeing all aspects of the Company's operations, setting strategic direction and ensuring the efficient use of resources and responsible for fostering key client relationships and identifying new business opportunities. |
| <b>Other Directorships</b>                        | B.R.Goyal Tollways LLP and B.R.Goyal Constructions LLP   |

|   |  |
|---|--|
| <b>Key Management Persons Name -</b>              | <b>Uppal Goyal</b>   |
| <b>Age</b>  | 34   |
| <b>Designation and No. of years of experience</b> | Promoter and Executive Director, 8+ years of experience in Construction business |
| <b>Qualification</b>                              | No formal education  |
| <b>Other Directorships</b>                        | Sarthak Innovations Private Limited, B.R.Goyal Holdings Private Limited etc.     |

|   |  |
|---|--|
| <b>Key Management Persons Name -</b>              | <b>Yash Goya</b>   |
| <b>Age</b>  | 29   |
| <b>Designation and No. of years of experience</b> | Promoter and Executive Director, 7+ years of experience in Construction business |
| <b>Qualification</b>                              | No formal education  |
| <b>Other Directorships</b>                        | Sarthak Innovations Private Limited, B.R.Goyal Holdings Private Limited etc.     |

|   |   |
|---|---|
| <b>Key Management Persons Name -</b>              | <b>Mohit Bhandari</b>   |
| <b>Age</b>  | 44  |
| <b>Designation and No. of years of experience</b> | Non-Executive Independent Director, 11+ years of experience in corporate consulting and auditing services   |
| <b>Qualification</b>                              | Chartered Accountant  |
| <b>Responsibility</b>                             | Responsible for providing his expertise & inputs in relation to finance and also ensuring that the board adheres to the required Corporate governance requirements. |
| <b>Other Directorships</b>                        | Sourgrapes Advisory Private Limited   |

|   |  |
|---|--|
| <b>Key Management Persons Name -</b>              | <b>Khushboo Patodi</b>   |
| <b>Age</b>  | 40   |
| <b>Designation and No. of years of experience</b> | Non-Executive Independent Director, 3+ years of experience   |
| <b>Qualification</b>                              | Company Secretary and Masters in Business Administration   |
| <b>Responsibility</b>                             | Responsible for providing her expertise in Management and Compliance related matters of the Company and also provides inputs in corporate governance matters |
| <b>Other Directorships</b>                        | -  |

|   |   |
|---|---|
| <b>Key Management Persons Name -</b>              | <b>Brij Mohan Maheshwari</b>  |
| <b>Age</b>  | 59  |
| <b>Designation and No. of years of experience</b> | Non-Executive Independent Director, 20+ years of experience in corporate consulting and auditing services   |
| <b>Qualification</b>                              | Company Secretary and LLB   |
| <b>Responsibility</b>                             | Responsible for providing his expertise in Management and Compliance related matters of the Company and also provides inputs in corporate governance matters and other legal matters. |
| <b>Other Directorships</b>                        | Jash Engineering Limited and Indore Bulls Private Limited   |

|   |   |
|---|---|
| <b>Key Management Persons Name -</b>              | <b>Ravindra Karoda</b>  |
| <b>Age</b>  | 35  |
| <b>Designation and No. of years of experience</b> | Non-Executive Independent Director, 11+ years of experience                       |
| <b>Qualification</b>                              | M-Tech  |
| <b>Responsibility</b>                             | Responsible for providing his expertise in technical feasibility of the projects. |
| <b>Other Directorships</b>                        | -   |

- The overall management of the company is decent.
- The promoter and management have vast experience in the industry.
- There is an evidence of dual chairmanship, which is not favourable.
- All of the promoters who are a part of management have no formal education.
- Dasharath Tomar (CFO), aged 42, is a qualified CA and has 18+ years of experience.

**FINANCIAL SNAPSHOT****Statement of Profit and Loss** Amt in Lakhs.

| Particulars                             | FY 22            | FY 23            | FY 24            | Jul-24           |
|---|------------------|------------------|------------------|------------------|
| Revenue from Operations                 | 22,488.26        | 34,622.29        | 58,875.91        | 15,550.74        |
| Other Income                            | 375.06           | 707.45           | 743.29           | 135.71           |
| <b>Total Income</b>                     | <b>22,863.32</b> | <b>35,329.74</b> | <b>59,619.20</b> | <b>15,686.45</b> |
| <b>Expenses</b>                         |                  |                  |                  |                  |
| Cost of Material Consumed               | 8,874.42         | 10,251.49        | 7,643.88         | 2,969.44         |
| Change in Inventories of Stock In Trade | -638.02          | -372.73          | -202.02          | -1,279.50        |
| Employee Benefit Expenses               | 793.53           | 1,062.10         | 1,604.36         | 637.36           |
| Finance Cost                            | 739.09           | 679.01           | 649.66           | 229.47           |
| Depreciation and Amortization Expense   | 512.95           | 473.85           | 473.91           | 173.61           |
| Operating and other expenses            | 11,568.74        | 21,010.82        | 46,584.11        | 12,687.79        |
| <b>Total Expenses</b>                   | <b>21,850.71</b> | <b>33,104.54</b> | <b>56,753.90</b> | <b>15,418.17</b> |
| <b>EBITDA</b>                           | <b>1,889.59</b>  | <b>2,670.61</b>  | <b>3,245.58</b>  | <b>535.65</b>    |
| <b>EBITDA Margin</b>                    | <b>8.40%</b>     | <b>7.71%</b>     | <b>5.51%</b>     | <b>3.44%</b>     |
| <b>Profit/(Loss) before tax</b>         | <b>1,012.61</b>  | <b>2,225.20</b>  | <b>2,865.30</b>  | <b>268.28</b>    |
| <b>Tax Expense</b>                      |                  |                  |                  |                  |
| Current tax                             | 221.63           | 494.17           | 642.16           | 69.95            |
| Tax for prior years                     | 0.34             | -                | -                | -                |
| Deferred Tax                            | 34.56            | -2.47            | 34.23            | 3.87             |
| <b>Total Tax</b>                        | <b>256.53</b>    | <b>491.70</b>    | <b>676.39</b>    | <b>73.82</b>     |
| <b>Profit/(Loss) for the year</b>       | <b>756.08</b>    | <b>1,733.50</b>  | <b>2,188.91</b>  | <b>194.46</b>    |
| <b>Net Profit Margin</b>                | <b>3.36%</b>     | <b>5.01%</b>     | <b>3.72%</b>     | <b>1.25%</b>     |

**Statement of Assets and Liabilities** Amt in Lakhs.

| Particulars  | FY 22            | FY 23            | FY 24            | Jul-24           |
|--|------------------|------------------|------------------|------------------|
| <b>EQUITY AND LIABILITIES</b>                            |                  |                  |                  |                  |
| <b>1. Shareholders' funds</b>                            |                  |                  |                  |                  |
| Share Capital  | 869.64           | 869.64           | 869.64           | 1,739.28         |
| Reserves and surplus                                     | 7,877.27         | 9,609.40         | 11,797.15        | 11,124.20        |
| <b>Total Shareholder's Fund</b>                          | <b>8,746.91</b>  | <b>10,479.04</b> | <b>12,666.79</b> | <b>12,863.48</b> |
| Minority Interest  | 2.87             | 4.74             | 5.90             | 3.68             |
| <b>Total Equity</b>                                      | <b>8,749.78</b>  | <b>10,483.78</b> | <b>12,672.69</b> | <b>12,867.16</b> |
| <b>NON-CURRENT LIABILITIES</b>                           |                  |                  |                  |                  |
| Long-term borrowings                                     | 1,871.15         | 1,760.29         | 1,595.80         | 2,764.38         |
| Deferred Tax liability                                   | 174.49           | 172.02           | 206.25           | 210.12           |
| Other Long Term Liabilities                              | 2,810.48         | 2,374.09         | 2,840.20         | 4,170.50         |
| Long-Term Provisions                                     | 51.96            | 56.15            | 57.59            | 64.57            |
| <b>Total Non-current liabilities</b>                     | <b>4,908.08</b>  | <b>4,362.55</b>  | <b>4,699.84</b>  | <b>7,209.57</b>  |
| <b>CURRENT LIABILITIES</b>                               |                  |                  |                  |                  |
| Short-term Borrowings                                    | 3,469.13         | 2,403.24         | 3,351.48         | 3,646.71         |
| Trade Payables   |                  |                  |                  |                  |
| (i) Total outstanding dues of MSME                       | 0.03             | 6.61             | 4.48             | 5.08             |
| (ii) Total outstanding dues of creditors other than MSME | 2,464.15         | 1,433.79         | 2,212.41         | 2,419.88         |
| Other Current Liabilities                                | 615.98           | 917.00           | 874.25           | 709.37           |
| Short-term provisions                                    | 131.39           | 118.88           | 133.37           | 142.08           |
| <b>Total Current liabilities</b>                         | <b>6,680.68</b>  | <b>4,879.52</b>  | <b>6,575.99</b>  | <b>6,923.12</b>  |
| <b>Total Liabilities</b>                                 | <b>11,588.76</b> | <b>9,242.07</b>  | <b>11,275.83</b> | <b>14,132.69</b> |
| <b>Total Equity and Liabilities</b>                      | <b>20,338.54</b> | <b>19,725.85</b> | <b>23,948.52</b> | <b>26,999.85</b> |
| <b>ASSETS</b>  |                  |                  |                  |                  |

| Particulars                     | FY 22            | FY 23            | FY 24            | Jul-24           |
|---------------------------------|------------------|------------------|------------------|------------------|
| <b>NON-CURRENT ASSETS</b>       |                  |                  |                  |                  |
| Property, Plant and Equipment   | 5,361.13         | 4,694.16         | 5,528.56         | 5,608.29         |
| Intangible Assets               | 0.39             | 0.30             | 0.24             | 0.22             |
| Non-Current Investments         | 10.00            | 308.16           | 599.16           | 624.64           |
| Long-Term Loans and Advances    | 1,436.40         | 1,433.46         | 1,853.16         | 2,209.11         |
| <b>Total Non-Current assets</b> | <b>6,807.92</b>  | <b>6,436.08</b>  | <b>7,981.12</b>  | <b>8,442.26</b>  |
| <b>CURRENT ASSETS</b>           |                  |                  |                  |                  |
| Inventories                     | 5,299.21         | 5,715.70         | 6,022.76         | 7,259.73         |
| Trade Receivables               | 2,651.64         | 2,087.45         | 2,859.78         | 3,613.93         |
| Cash & Cash equivalents         | 2,317.73         | 2,892.62         | 2,918.45         | 2,507.44         |
| Short term loans and advances   | 2,219.54         | 2,089.63         | 2,945.39         | 3,398.47         |
| Other Current Assets            | 1,042.50         | 504.36           | 1,221.02         | 1,778.02         |
| <b>Total Current assets</b>     | <b>13,530.62</b> | <b>13,289.76</b> | <b>15,967.40</b> | <b>18,557.59</b> |
| <b>Total Assets</b>             | <b>20,338.54</b> | <b>19,725.84</b> | <b>23,948.52</b> | <b>26,999.85</b> |

**Cash Flow Statement**

Amt in Lakhs.

| Particulars                             | FY 22     | FY 23     | FY 24     | Jul-24    |
|---|-----------|-----------|-----------|-----------|
| Net Cash Flow from Operating Activities | 2,694.29  | 2,273.10  | 1,193.88  | -1,418.69 |
| Net Cash Flow from Investing Activities | -37.97    | 157.54    | -1,302.14 | -226.66   |
| Net Cash Flow from Financing Activities | -1,894.39 | -1,855.75 | 134.09    | 1,234.34  |

**Key Ratios**

| <u>Per Share Data</u>          | FY 22  | FY 23  | FY 24  | <u>Valuation Ratios (x)</u>   | FY 22 | FY 23 | FY 24 |
|--------------------------------|--------|--------|--------|-------------------------------|-------|-------|-------|
| Diluted EPS                    | 4.29   | 9.96   | 12.58  | EV/EBITDA                     | 6.23  | 4.40  | 4.53  |
| BV per share                   | 100.62 | 120.56 | 145.73 | Market Cap / Sales            | 0.52  | 0.34  | 0.20  |
| <b><u>Operating Ratios</u></b> |        |        |        | P/E                           | 31.47 | 13.55 | 10.73 |
| EBITDA Margins                 | 8.40%  | 7.71%  | 5.51%  | Price to Book Value           | 1.34  | 1.12  | 0.93  |
| PAT Margins                    | 3.36%  | 5.01%  | 3.72%  | <b><u>Solvency Ratios</u></b> |       |       |       |
| Inventory days                 | 86.25  | 60.42  | 37.44  | Debt / Equity                 | 0.61  | 0.40  | 0.39  |
| Debtor days                    | 43.16  | 22.07  | 17.78  | Current Ratio                 | 2.03  | 2.72  | 2.43  |
| Creditor days                  | 101.42 | 51.21  | 104.71 | Quick Ratio                   | 1.23  | 1.55  | 1.51  |
| <b><u>Return Ratios</u></b>    |        |        |        | Asset Turnover                | 1.11  | 1.76  | 2.46  |
| RoCE                           | 10.08% | 14.80% | 15.95% | Interest Coverage Ratio       | 1.86  | 3.24  | 4.27  |
| RoE                            | 8.64%  | 16.54% | 17.28% |                               |       |       |       |

**INTERPRETATION –**

- The top line has increased consistently over the years by 53.96% in FY2023 which was majorly due to increase in sales of construction and other related activities and faster & timely execution of EPC projects. In FY2024 it increased by 70.05% which was due to r increase in revenue from operation is owing to increase in execution of EPC projects and further receipts from Toll Collection as the company entered into this new segment.
- The net profit has also increased consistently by 54.53% in FY2023 and 68.75% in FY2024.
- The EBITDA margin and PAT margin have seen a slight dip in FY2024 which was due to a huge increase in operating and other expenses (on account of toll collection which was not there in previous year).
- The PE ratio has improved over the years.
- The RoCE and RoE have increased over the years.
- There was negative cash flow from operations for Jul-24.



**LEAD MANAGER TRACK RECORD –**

The lead manager to the issue is Beeline Capital Advisors Private Limited.

A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

**Beeline Capital Advisors Private Limited –**

| Sr. No. | Company Name                        | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|-------------------------------------|-------------------|----------------------------|--------------|------------|
| 1.      | Anya Polytech & Fertilizers Limited | 44.80             | 14.00                      | Jan 02, 2025 | 18.80      |
| 2.      | Mamata Machinery Limited            | 179.39            | 243.00                     | Dec 27, 2024 | 544.95     |
| 3.      | Toss The Coin Limited               | 9.17              | 182.00                     | Dec 17, 2024 | 715.30     |
| 4.      | Nisus Finance Services Co Limited   | 114.24            | 180.00                     | Dec 11, 2024 | 488.30     |
| 5.      | C2C Advanced Systems Limited        | 99.07             | 226.00                     | Dec 03, 2024 | 858.00     |
| 6.      | SD Retail Limited                   | 64.98             | 131.00                     | Sep 27, 2024 | 170.10     |
| 7.      | Mach Conferences and Events Limited | 125.28            | 225.00                     | Sep 11, 2024 | 244.45     |
| 8.      | Indian Phosphate Limited            | 67.36             | 99.00                      | Sep 03, 2024 | 81.40      |
| 9.      | Positron Energy Limited             | 51.21             | 250.00                     | Aug 20, 2024 | 332.00     |
| 10.     | Ashapura Logistics Limited          | 52.66             | 144.00                     | Aug 06, 2024 | 95.60      |

The company has handled 52 mandates in the last three years (including current year).

\*CMP for the above-mentioned companies is taken as of 6<sup>th</sup> Jan 2025.

As per the offer document, the above-mentioned mandates all have opened at a premium on the listing day.

## Recommendation -

B. R. Goyal Infrastructure Limited has been in the industry since 1986 and has vast experience.

The P/E on a post-IPO annualized basis is around 55.13 times which makes it aggressively priced but for FY2024, the PE ratio remained at 10.73 times which makes it fairly priced.

The management of the company is decent.

The company's top line and bottom line have increased consistently over the years. The profitability margins have declined in FY2024 which is because the company had entered into a new segment (toll collection) because of which their expenses had increased significantly leading to dip in margins. This should not be a major concern. The company had positive cash flow from operations for the last three years.

The company has 26 ongoing projects in 7 states with an outstanding order book of Rs. 87,339.70 lakhs which will contribute to the growth of top line.

The infrastructure industry is growing and the government has taken many initiatives.

Thus, investors can **APPLY** to this IPO for long-term basis.

### Disclaimer

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The analysis and recommendations are based on the current market and company-specific scenario, along with the data available in the prospectus. Market and company-specific conditions may change after the company's listing, potentially impacting its performance and outlook. We will not be providing any follow-up reports or updates on this analysis post-listing.

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