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# CEIGALL INDIA LIMITED

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## IPO NOTE

*August 2024*

## ISSUE HIGHLIGHTS

- Ceigall India Limited ("Ceigall")** was incorporated on July 8, 2002. Ceigall has gradually increased project execution capabilities in the EPC segment in terms of project size. Ceigall has expertise in constructing state and national highways, specialized structures such as elevated corridors, bridges, flyovers, and rail over-bridges, along with the maintenance of highways, which is an integral component of its projects.
- Over the last 2 decades Ceigall has transitioned from a small construction company to an established EPC player, demonstrating expertise in the design and construction of various road and highway projects including specialised structures across 10 states in India.
- Since its inception, Ceigall has executed several projects with the Public Works Department (PWD) in Punjab, the National Highways Authority of India, and the Ministry of Road Transport and Highways (MoRTH) by bidding for tenders. Other notable public sector clients include Indian Railway Construction International Limited (IRCON), Military Engineer Services (MES), and Bihar State Road Development Corporation Limited (BSRDCL).
- Ceigall has demonstrated track record of completing the Projects ahead of schedule. Currently, Ceigall have completed 7 projects before the schedule completion date** viz. Khemka ran Town to start of Amritsar Bypass, Karnal-Pehowa, Ramdas to Gurdaspur, Talwandi-Bhai to Ferozepur, Phagwara city, Ludhiana-Talwandi Bhai, Malout Abohar.
- Furthermore, Ceigall recently acquired a 50% stake in R.K Infra by way of the partnership deed executed between Karan Singla, Sakshi Singla and Ceigall on 22<sup>nd</sup> Feb 2024, which will benefit Ceigall in terms of project execution capabilities and bidding credentials for future projects.
- Ceigall has recorded a consistent growth in order book-to-bill ratio since FY21, which is quite high as compared to the peer average of 3.00x.
- The company has generated a better return ratio as compared to peers, i.e., ROCE and ROE, for the last 3 Fiscals (Average) at a rate of 30.37% and 32.14%, respectively. They have an average fixed asset turnover ratio of 0.15, which is better than most of the peers.

## BRIEF FINANCIAL DETAILS\*

(₹ IN Cr)

	As at Mar' 31,		
	2024	2023	2022
Share Capital	78.57	39.28	39.28
Net Worth as stated	906.41	593.06	431.25
Borrowings - current	413.76	332.50	145.91
Borrowings – non-current	647.36	367.60	170.40
Revenue from Operations	3,029.35	2,068.17	1,133.79
Revenue Growth (%) as stated	46.47%	82.41%	-
EBITDA as stated	517.66	295.63	185.92
EBITDA Margin (%) as stated	17.09%	14.29%	16.40%
Net Profit for the year	304.31	167.27	125.86
Net Profit (%) as stated	10.05%	8.09%	11.10%
EPS – Basic & Diluted (₹)	19.37	10.65	8.01
NAV (₹)	57.68	75.48	54.89
ROE (%)	33.57%	28.20%	29.19%
ROCE (%)	31.98%	28.67%	29.84%
Debt to Equity	1.17	1.18	0.73

Source: RHP, \*Restated Consolidated

## Issue Details

**Fresh Issue of Equity Shares aggregating upto ₹ 684.252 Cr and Offer for Sale of upto 14,174,840 Equity Shares**

**Issue size: ₹ 1,223 – 1,253 Cr**

**Face value: ₹ 5/-**

**Employee Reservation: Equity shares aggregating upto ₹ 2 Cr**

**Price band: ₹ 380 - 401**

**Bid Lot: 37 Shares** and in multiple thereof

**Employee Discount: ₹ 38/- per share**

**Post Issue Implied Market Cap = ₹ 6,655 – 6,985 Cr**

**BRLMs:** ICICI Securities, IIFL Securities, JM Financial

**Registrar:** Link Intime India Pvt Ltd

**Issue opens on: Thursday, 1<sup>st</sup> August'2024**

**Issue closes on: Monday, 5<sup>th</sup> August'2024**

## Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	06-08-2024
Refunds/Unblocking ASBA Fund	07-08-2024
Credit of equity shares to DP A/c	07-08-2024
Trading commences	08-08-2024

## Issue Break-up

	No. of Shares		₹ In Cr		% of Issue
	@Lower	@Upper	@Lower	@Upper	
QIB	16,064,420	15,594,302	610.45	625.33	50%
NIB	4,819,326	4,678,291	183.13	187.60	15%
-NIB2	3,212,884	3,118,861	122.09	125.07	-
-NIB1	1,606,442	1,559,430	61.04	62.53	-
RET	11,245,094	10,916,012	427.31	437.73	35%
EMP	58,479	55,096	2.00	2.00	-
<b>Total</b>	<b>32,187,319</b>	<b>31,243,701</b>	<b>1,222.90</b>	<b>1,252.66</b>	<b>100%</b>

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	37 Shares	518 Shares	2,516 Shares
Minimum Bid Lot Amount (₹)	₹ 14,837 <sup>^</sup>	₹ 2,07,718 <sup>^</sup>	₹ 10,08,916 <sup>^</sup>
Appl for 1x	2,95,027 Applications	3,010 Applications	6,021 Applications

## Listing: BSE & NSE

## Shareholding (No. of Shares)

Pre-issue	Post-issue <sup>~</sup>	Post-issue <sup>^</sup>
157,136,000	175,148,480	174,204,862

<sup>~</sup>@Lower price Band <sup>^</sup>@ Upper Price Band

## Shareholding (%)

	Pre-Issue	Post-Issue
Promoter	85.37%	70.24%
Promoter Group	14.62%	11.82%
Public – Investor Selling S/h	0.01%	0.01%
Public - Others	-	17.94%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## BACKGROUND

### Company and Directors

The Company was incorporated as 'Ceigall Builders Private Limited' on July 8, 2002, at Chandigarh. Ramneek Sehgal, Ramneek Sehgal and Sons HUF and RS Family Trust are the Promoters of the company. Currently the Promoters hold in aggregate 134,144,000 Equity Shares, which constitutes 85.37% of the issued, subscribed and paid-up Equity Share capital of the company.

### Brief Biographies of Directors

**Ramneek Sehgal** is the Managing Director and one of the Promoters of the company. He has been associated with the company since its incorporation. He is responsible for expansion, profitability, overall growth and innovation of the company.

**Puneet Singh Narula** is the Whole-Time Director of the company. He has been associated with the company since May 2, 2023. He is responsible for managing overall operations of the company. Prior to joining the company, he was associated with IRCON International Ltd, AFCONS Pauling Joint Venture, Galfar Engineering and Contracting (India) Pvt Ltd and KCC Buildcon.

**Arun Goyal** is an Independent Director of the company. He has been associated with the company since March 1, 2021. Prior to joining the company, he was associated with Trident Group.

**Vishal Anand** is an Independent Director of the company. He has been associated with the company since October 26, 2021. Prior to joining the company, he was associated with Anand Autocare Pvt Ltd.

**Gurpreet Kaur** is an Independent Director of the company. She has been associated with the company since October 26, 2021.

**Anisha Motwani** is an Independent Director of the company. She has been associated with the company since February 10, 2024. Prior to joining the company, she was associated with Max Life Insurance, DDB Mudra Pvt Ltd, Tara Sinha McCann Erickson Pvt Ltd, Euro RSCG Advertising Pvt Ltd and General Motors India Pvt Ltd.

**Kapil Agarwal** is the Chief Financial Officer of the company. He has been associated with the company since September 12, 2022. He is responsible for tracking cash flow and financial planning and analysing the company's financial strengths and weaknesses and proposing strategic directions. He was previously associated with E5 Infrastructure Pvt Ltd.

**Utkarsh Gupta** is the Company Secretary and Compliance Officer of the company. He has been associated with the company since June 13, 2024. He was previously associated with GMR SEZ and Port Holdings Pvt Ltd.

## OFFER DETAILS

Particulars	No. of Shares	WACA per Equity Share on a fully diluted basis (₹)
Fresh Issue (₹ 684.25 Cr)	Upto 17,954,000~ - 17,013,765^ Equity Shares^	–
<b>The Offer for Sale by:</b>	<b>Upto 14,174,840 Equity Shares</b>	
<b>The Promoter Selling Shareholders:</b>		
Ramneek Sehgal – Promoter Selling Shareholder	Upto 4,248,300 Equity Shares	Nil
Ramneek Sehgal and Sons HUF– Promoter Selling Shareholder	Upto 7,536,050 Equity Shares	Nil
Avneet Luthra - Promoter Group Selling Shareholder	Upto 4,950 Equity Shares	0.02
Mohinder Pal Singh Sehgal- Promoter Group Selling Shareholder	Upto 919,960 Equity Shares	0.06
Parmjit Sehgal- Promoter Group Selling Shareholder	Upto 548,980 Equity Shares	Nil
Simran Sehgal- Promoter Group Selling Shareholder	Upto 914,950 Equity Shares	0.06
Kanwaldeep Singh Luthra- Individual Selling Shareholder	Upto 1,650 Equity Shares	0.06

(~Net Shares at lower price band and ^at upper price band); WACA=Weighted Average Cost of Acquisition

## SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue and Offer for Sale Shares <sup>^</sup>	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter	134,144,000	85.37%	11,784,350	122,359,650	70.24%
Promoters Group	22,976,000	14.62%	2,388,840	20,587,160	11.82%
<b>Total for Promoter and Promoter Group</b>	<b>157,120,000</b>	<b>99.99%</b>	<b>14,173,190</b>	<b>142,946,810</b>	<b>82.06%</b>
Public – Investor Selling Shareholders	16,000	0.01%	1,650	14,350	0.01%
Public – Other	0	0.00%	17,068,862	31,243,702	17.94%
<b>Total for Public Shareholders</b>	<b>16,000</b>	<b>0.01%</b>		<b>31,258,052</b>	<b>17.94%</b>
<b>Total Equity Share Capital</b>	<b>157,136,000</b>	<b>100.00%</b>		<b>174,204,862</b>	<b>100.00%</b>

(<sup>^</sup> at upper price band)

## OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
• Purchase of equipment;	99.79
• Repayment/ prepayment, in full or in part, of certain borrowings availed by the company and the Subsidiary, CIPPL;	413.40
• General Corporate Purposes	[ • ]
<b>Total</b>	<b>[ • ]</b>

## BUSINESS OVERVIEW

Ceigall is an infrastructure construction company with experience in undertaking specialized structural work such as elevated roads, flyovers, bridges, railway over bridges, tunnels, highways, expressways and runways. They are one of the fastest growing engineering, procurement and construction (“EPC”) company in terms of 3-year revenue CAGR as of Fiscal 2024, among the companies with a turnover of over ₹ 1,000 crore in Fiscal 2024. They have achieved the highest year-on-year revenue growth of 43.10% in Fiscal 2024 among the peers. They have grown at a CAGR of 50.13% between Fiscals 2021 to 2024. Over the last 2 decades, the company has transitioned from a small construction company to an established EPC player, demonstrating expertise in the design and construction of various road and highway projects including specialised structures across 10 states in India. The revenue from operations has increased significantly from ₹ 1,133.79 crore in Fiscal 2021 to ₹ 3,029.35 crore in Fiscal 2024

Company’s principal business operations are broadly divided into EPC projects and hybrid annuity model (“HAM”) projects, which are spread over 10 states in India.

Since incorporation, Ceigall has gradually increased their execution capabilities in terms of size of the projects. One of their initial road projects that they executed for the Punjab Public Works Department, Ludhiana division, was awarded in 2006 with an aggregate project cost of ₹ 6.29 crore for 20.42 lane km. In 2014, they were awarded the first 4-lane highway EPC project from NHAI for 24.08 lane km with a project cost of ₹ 37.81 crore and the most recent 4-lane elevated corridor EPC project, which consists of one of the longest 4-lane elevated corridor portion of 14.26 kms in India, was awarded by NHAI with a project cost of ₹ 1,969.39 crore and total length of 100.32 lane km.

Currently, Ceigall is eligible to bid for single NHAI EPC projects up to a value of ₹ 5,700 crore and for single NHAI HAM projects up to a value of ₹ 5,500 crore. Currently, they have been empanelled to participate with the Delhi Metro Rail Corporation Ltd in its upcoming tenders involving *inter alia* construction of railways, mega bridges and tunnels in India and abroad and also with a public sector undertaking for highways, bridges and tunnel construction work in north-eastern states of India, and such empanelment is mutually extendable.

Currently the company has completed over 34 projects, including 16 EPC and 1 HAM project, 5 O&M and 12 Item Rate Projects, in the roads and highways sector. Currently, the Company has 18 ongoing projects, including 13 EPC projects and 5 HAM projects which includes elevated corridors, bridges, flyovers, rail overbridges, tunnels, expressway, runway and multi-lane highways.

In addition to undertaking operation and maintenance (“O&M”) activities in accordance with the contractual obligations under the EPC/ HAM concession agreements, they have also undertaken independent O&M projects. Further, they have also undertaken in the past and continue to undertake sub-contracting projects.

## ORDER BOOK

	As on June 30, 2024	FY2024	FY2023	FY2022
Order Book	9,470.84	9,225.78	10,809.04	6,346.13
Order Book to Bill Ratio	-	3.05	5.23	5.60

As on June 30, 2024, projects awarded by NHAI contributed 80.31% to the Order Book. Their other public sector clients include Indian Railway Construction International Ltd (“IRCON”), Military Engineer Services (“MES”) and Bihar State Road Development Corporation Ltd (“BSRDCL”).

### Entity-wise Order Book:

(Rs Cr)

Peers	NHAI/Government Entities				Others			
	FY24	FY23	FY22	FY21	FY24	FY23	FY22	FY21
J. Kumar Infraprojects Ltd	Na	Na	Na	Na	Na	Na	Na	Na
ITD Cementation India Ltd	Na	Na	Na	Na	Na	Na	Na	Na
PNC Infratech Ltd	Na	Na	Na	Na	Na	Na	Na	Na
G R Infraprojects Ltd	15,438.15	18,357.26	12,186.63	Na	1,342.45	1,171.74	917.27	Na
H.G. Infra Engineering Ltd	10,352.60	8,690.76	7,335.07	5,491.28	2,081.40	3,904.54	637.83	1,548.82
KNR Constructions Ltd	5,198.70	8,605.94	8,730.78	5,053.71	106.10	266.16	270.02	213.54
<b>Ceigall India Ltd</b>	<b>7,072.36</b>	<b>9,697.38</b>	<b>4,740.86</b>	<b>1,692.14</b>	<b>2,153.42</b>	<b>1,111.66</b>	<b>1,605.27</b>	<b>288.70</b>

### Details of Order Book on the basis of type of order:

(₹ in Cr)

Peers	HAM			EPCs		
	FY23	FY22	FY21	FY23	FY22	FY21
J. Kumar Infraprojects Ltd	Na	Na	Na	Na	Na	Na
ITD Cementation India Ltd	Na	Na	Na	Na	Na	Na
PNC Infratech Ltd	Na	Na	Na	Na	Na	Na
G R Infraprojects Ltd	6,639.86	5,241.56	7,610.32	12,889.14	7,862.34	11,415.49
H.G. Infra Engineering Ltd	5,667.89	4,385.10	2,886.44	4,153.66	3,587.81	6,927.42
KNR Constructions Ltd	4,436.05	4,050.36	1,850.65	4,436.05	4,950.44	5,267.25
<b>Ceigall India Ltd</b>	<b>6,181.89</b>	<b>2,711.87</b>	<b>1,165.00</b>	<b>4,627.15</b>	<b>3,634.26</b>	<b>815.84</b>

Peers	Comparison of Order Book (₹ Cr)			Comparison of New Orders Received (₹ Cr)			
	FY24	FY23	FY22	FY24	FY23	FY22	FY21
J. Kumar Infraprojects Ltd	21,011.00	11,854.00	11,936.00	11,810.00	2,652.00	3,685.00	2,259.00
ITD Cementation India Ltd	19,918.00	20,044.00	15,550.00	6,900.00	7,965.19	7,769.31	7,770.00
PNC Infratech Ltd	15,490.00	15,676.00	14,663.00	Na	4,855.00	11,146.00	7,677.00
H.G. Infra Engineering Ltd	12,434.00	12,595.30	7,972.90	Na	8,621.90	4,327.90	1,933.30
KNR Constructions Ltd	5,304.80	8,872.10	9,000.80	Na	1,780.00	1,077.80	8,195.60
G R Infraprojects Ltd	16,780.60	19,529.00	13,103.90	Na	6,549.89	9,349.90	4,254.34
<b>Ceigall India Ltd</b>	<b>9,225.78</b>	<b>10,809.04</b>	<b>6,346.13</b>	<b>694.05</b>	<b>8,478.52</b>	<b>8,067.67</b>	<b>1,246.13</b>

### Order Book - Road Construction Segment:

	ITD Cementation	J Kumar Infraprojects	PNC Infraprojects	G R Infraprojects	H G Infra Engineering	KNR Constructions	Ceigall India
Roads, Highways, Flyovers, Tunnels	16.76%	63.00%	59.84%	81.00%	68.24%	60.00%	<b>90.99%</b>
Railways & Metros	22.04%	27.00%	0.00%	2.00%	21.32%	0.00%	<b>7.52%</b>
Hydro, Dams & Irrigation	11.59%	0.00%	0.00%	9.00%	0.00%	19.00%	<b>0.00%</b>
Water & Wastewater	2.80%	5.00%	24.14%	0.00%	0.00%	21.00%	<b>0.00%</b>
Others	46.82%	5.00%	16.02%	8.00%	10.44%	0.00%	<b>1.49%</b>

Source:RHP

The company is an infrastructure construction company with experience in undertaking specialized structural work such as elevated roads, flyovers, bridges, railway over bridges, tunnels, highways, expressways and runways and has a reputation of delivering quality projects. They have a consistent track-record of execution of projects either on time or ahead of schedule. Company's efficient project execution capabilities have enabled them to execute projects in a timely manner, and in certain cases before the stipulated timelines, while maintaining requisite quality standards.

Currently, they have completed 7 EPC projects out of 16 EPC projects on or before the scheduled completion date and they have already received bonus payments for early completion for 2 EPC and one HAM projects. The 1<sup>st</sup> HAM project undertaken by them i.e., Malout-Abohar Project, was also completed 214 days ahead of its scheduled completion date.

As of March 31, 2024, they had 2,256 permanent employees. The company has also hired consultants on a contractual basis.

## LANDMARK EPC PROJECTS

Some of the landmark EPC projects undertaken by Ceigall in the Road Sector include the following:

Description of the Project	Scheduled date of completion	Date of completion	Length (in lane km)	Project Cost (₹ Cr)	Key Highlights
Rehabilitation and augmentation of new NH-354 of section Ramdas to Gurdaspur from design chainage km 140 to design chainage km 187.492 for length of 47.492 km into 2-lane with paved shoulder/4-lane under Bharat-mala scheme in Punjab EPC mode (Package-V) (" <b>Ramdas Gurdaspur Project</b> "), including, construction of Dera Baba Nanak – Kartarpur Corridor (India Territory) under change of scope in Gurdaspur Ramdas road stretch of NH-354 (Pkg-V) under Bharatmala Scheme in Punjab (" <b>Kartarpur Sahib Project</b> ")	12-12-2020	30-06-2020	Ramdas Gurdaspur Project: 94.98 Kartarpur Sahib Project: 25.50	235.38	Completed this Project on time. They won the special award for completing project in challenging conditions by MoRT-Gol.  The Kartarpur Sahib Project comprises construction of 6-lane highway including bridges between India and Pakistan and thus providing access to the pilgrimage site, Sri Kartarpur Sahib Gurudwara in Pakistan from India.
Construction of 6-lane access controlled highway NH-152 D starting from Ismailabad on NH-152 to junction with Karnal Pehowa road (SH-9) near Dhand ch 0+000 to Ch 23+0 length 23 km (" <b>Ismailabad- Dhand PKG I Project</b> ")	01-05-2022	10-12-2021	138.00	682.34	This Project is a part section (Pkg-I) of an access controlled greenfield corridor trans Haryana road project providing connection between NH-44 and NH-08.
6-lane of access controlled in UP portion of Delhi Saharanpur highway border from Delhi/UP Border to EPE Junction (Ch. 14.750 to 31.600) under Economic Corridor in Phase-1 of Bharatmala Pariyojana (" <b>Delhi-Saharanpur PKG II Project</b> ")	15-08-2024	Ongoing Project	101.10	1,323.52	This project comprises of 6-lane elevated stretches of 7.52 km and 3.72 km. Ceigall has completed 7.52 km of 6-lane elevated corridor, which is one of the longest 6-lane elevated highway in India and is constructed in one of the congested areas of Delhi-NCR.
Construction of 4-Laning of part of Ramban to Banihal Section of NH-1A (Now NH-44), from Ch.158+675 to Ch.164+660 (North Bound) and Ch.160+282 to Ch.163+368 (South Bound connecting with Existing Tunnel-T4) excluding Ch.161+544 to Ch.164+100 (North Bound) including construction of Twin Tube Tunnel (Package-II) in the union territory of Jammu and Kashmir on EPC mode (" <b>Ramban-Banihal PKG II Project</b> ")	25-02-2025	Ongoing Project	24.15	846.00	This Project majorly constitutes construction of a twin tube tunnel of 6.03 km length in hilly terrain. The scope of this Project also includes slope protection and rock fall protection work in the areas prone to high rainfall in Ramban district of Jammu and Kashmir.

While the company executes a majority of their projects themselves or through their Subsidiaries, they also form project-specific joint ventures, special purpose vehicles with other infrastructure and construction companies. Currently, they have 9 Subsidiaries (including 5 direct Subsidiary and 4 indirect Subsidiaries) and 8 Joint Ventures, for the purpose of execution of projects.

## PROJECT PORTFOLIO

### EPC Projects

Under an EPC agreement, Ceigall has primarily responsible for undertaking functions including the survey, investigation, design, engineering, procurement, construction, operation and maintenance of the concerned project highway and observe, fulfil, comply with and perform all the obligations set out in the contract or arising thereunder, including but not limited to

compliance with applicable laws and permits, good industry practice, remedy of all loss or damage to the project highway during the maintenance period at its own cost, undertake necessary superintendence to plan, arrange, direct, manage, inspect and test the project works and make applications to the relevant government authorities to procure the relevant licenses, agreements, permits, proprietary rights and permissions for materials, methods, processes, know-how and systems used or incorporated in the project.

### Completed key EPC Projects

Description of the Project	Bid Project Cost (Rs Cr)	Length (in lane km)	Term of the project (Days)	Date of award	Estimated date of completion	Actual date of completion
Ismailabad-Dhand PKG I Project, Hyderabad	657.99	138.00	730	31-10-2019	02-02-2022	10-12-2021
Balance Work for 4-laning of Kiratpur to Nerchowk section of NH-21, Pradesh on EPC basis ("Kiratpur-Nerchowk Project") HP and Punjab	249.39	145.86	730	14-08-209	25-11-2021	10-02-2023
Rehabilitation and upgradation of Moga to Makhu, Punjab ("Moga-Makhu Project")	245.07	150.33	547	07-05-2018	03-08-2020	12-01-2023
4-Laning of Existing 2-Lanes with Paved Shoulder Road from Talwandi Bhai to Ferozepur NH- 05 ("Talwandi Bhai- Ferozepur Project"), Punjab	207.00	94.64	730	28-02-2018	14-01-2021	10-02-2022
Rehabilitation and augmentation of New NH-354 of section Khemkaran town to start of Amritsar Bypass ("Khemkaran-Amritsar Project")	149.90	97.65	550	19-03-2018	27-01-2020	11-08-2019
Ramdas-Gurdaspur Project, including the Kartarpur-Sahib Project, Punjab	149.49	120.48	550	22-03-2018	15-06-2020	30-06-2020
Rehabilitation and Upgradation to 4-Lane with Paved Shoulder for Ambala to Saha Section, Punjab	144.00	59.36	730	08-03-2019	18-11-2021	24-03-2022
4/6-Laning of Kharar to Ludhiana Section of NH-95 To Samrala Chowk, Ludhiana	122.64	120.00	730	17-09-2016	14-06-2019	31-03-2018
Construction of Elevated Structure at Phagwara City, Punjab	117.90	10.53	365	07-03-2019	03-07-2020	30-09-2020
Widening to 2-Lane with paved shoulders, strengthening and geometric improvement of NH- 88, HP	87.14	88.00	730	07-10-2016	09-12-2018	09-12-2020
Improvement of Section from Km 315.500 to Km 348.550 and Abohar Bye pass, Punjab	44.74	94.00	550	18-03-2011	17-09-2012	17-11-2012
Rehabilitation and Upgradation to 4-laning divided Carriage with Paved shoulders of Ludhiana Talwandi Bhai Section, Punjab	37.81	24.08	365	26-11-2014	06-07-2016	31-03-2016
Development of Integrated Mixes use Industrial Park at Kapurthala, Punjab	33.81	-	365	31-01-2011	30-01-2012	31-03-2015
Development of 95 Acres site of Urban Estate at Jagraon, Punjab	21.85	-	365	04-03-2014	31-03-2015	30-09-2015
Construction of 4-laning of UP / Haryana border - Yamunanagar-Saha-Barwala- Panchkula section of NH-73, Haryana	93.10	76.83	730	05-11-2016	04-11-2018	31-10-2018
Maintenance & all other works contingent thereto of 2 Nos. High level Bridges & their approaches parallel to existing bridges over river Begna & river Omla	13.99	7.76	730	19-08-2015	18-08-2017	10-08-2017

### The ongoing projects under the EPC model:

Description of the Project	Bid Project Cost (Rs Cr)	Date of award	Estimated date of completion	Term of the Project	Authority
Construction of 4-Lane Elevated Corridor and at-grade improvements of Danapur-Bihta Section	1,969.39	13-09-2023	07-09-2026	910 Days	NHAI
Development of six lane access controlled in Uttar Pradesh portion of Delhi-Saharanpur Highway from Delhi/UP Border to EPE Junction ("Delhi-Saharanpur Project")	1,323.52	16-04-2022	07-11-2023	910 Days	NHAI
Construction of 4-lane Greenfield Amritsar connectivity for Connection of Amritsar with Delhi-Amritsar-Katra Expressway from MDR Junction Dhunda Village to Junction with NH3 and Taran taran Bypass near Mannawalla village chainage, Punjab	1,071.00	12-05-2021	NYD	730 Days	NHAI
Construction Of 4/6 Lane Greenfield Ludhiana – Rupnagar National Highway No. NH-205K from Junction With NE-5 Village near Manewal to junction with NH-205 near Bheora Village, Punjab	1038.24	02-06-2022	15-02-2025	730 Days	IRCON

Description of the Project	Bid Project Cost (Rs Cr)	Date of award	Estimated date of completion	Term of the Project	Authority
Construction of 4-lane Greenfield Delhi-Amritsar-Katra Expressway from Junction with Patiala-Bathinda road to Junction with Ludhiana-Malerkotla road near Bhogiwal village, Punjab, (“Delhi-Amritsar-Katra Project”)	881.00	20-07-2021	10-07-2024	730 Days	NHAI
Ramban-Banihal PKG II	846.00	03-09-2021	30-07-2024	910 Days	NHAI
Improvement/Upgradation, Widening and strengthening of Mansi-Fungo Halt -Simri Bakhtiyarpur Section of Mansi-Sahara- Hardi Chaughara Road	781.65	08-09-2023	14-05-2027	1,275 & 730 Days	NHAI
Construction of 4-Laning of part of Ramban to Banihal Section of NH-1A (“Ramban-Banihal PKG III”)	369.00	02-09-2021	02-08-2024	910 Days	NHAI
Re-Surfacing of Runway and Aircraft Operating Area at AF Station Halwara	138.41	13-06-2023	28-11-2025	27 Months	MES
Rehabilitation and Up-gradation to two lane with paved shoulders from Makhu to Arifke, Punjab	127.26	31-03-2018	14-05-2022	910 Days	PWD
Design And Construction Of 6 lane standalone grade separated structure’s in Gonde-vadape section of NH-3 (“Gonde-Vadape Project”)	81.13	23-11-2020	28-02-2023	730 Days	NHAI
Design and Construction of elevated Stations from end of ramp after double pulia Sstation to Barra-8 Station on corridor-2 of Kanpur, UP	42.71	15-03-2024	14-03-2026	730 Days	UPMRC
Design and Construction of elevated stations of corridor-1 of Agra metro at Agra, UP	26.70	15-03-2024	14-03-2026	730 Days	UPMRC

### HAM Projects

Typically, HAM agreements involve the construction of an asset as required by the client, with partial financing arrangements provided by the bidders/contractors (“Concessionaire”).

They have the following 1 operational HAM project which has commenced revenue generation on an annuity basis.

Name of the Subsidiary/SPV	Description of the Project	Bid Project Cost (Rs Cr)	Length (in lane km)	Construction period	Date of award	Completion date	Annuity payable by The concessioning authority
Ceigall Malout Abohar Sadhuwali Highway Pvt Ltd	4-lanning of existing 2-lane section from Malout via Abohar	918	260	730 Days	31-03-21	06-06-23	30 half-yearly instalment of 60% of the bid project cost (with interest payable) on the reducing balance

### The ongoing projects under the HAM model

Name of the Subsidiary/SPV	Description of the Project	Bid Project Cost (Rs Cr)	Length (in lane km)	Construction period	Date of award	Awarding Authority	Annuity payable by The concessioning authority
Ceigall Bathinda Dabwali Highways Pvt Ltd	6-Laning of Jodhpur Romana (Bathinda)- Mandi Dabwali	621	164.40	730 Days	26-02-21	NHAI	30 half yearly instalment of 60% of the bid project cost (along with interest) on the reducing balance
Ceigall Jalbehra Shahbad Greenfield Highway Pvt Ltd	Construction of 4 Lane Greenfield Jalbehra Shahbad of NH 152G in Haryana	684	91.40	730 Days	02-06-23	NHAI	-
Ceigall VRK 11 Pvt Ltd	Construction of 6-lane Greenfield Varanasi- Ranchi- Kolkata Highway from Donoreshan village to junction with NH-20 in Bongabar	165.60	221.40	730 Days	31-03-23	NHAI	-
Ceigall VRK 12 Pvt Ltd	Construction of 6-lane Greenfield Varanasi- Ranchi- Kolkata Highway from junction with NH-20 in Bongabar village to Junction with NH-320 in Lepo	1305.00	198.00	Yet to declared	31-03-23	NHAI	-
Ceigall Ludhiana Bathinda Greenfield Highway Pvt Ltd	Ludhiana Bathinda Greenfield Highway HAM Project	981.00	271.46	15 Years	09-11-21	NHAI	-



## Operation and Maintenance Projects

They have in the past and continue to enter into agreements in relation to operation and maintenance (“O&M”). They carry out the maintenance of the projects *inter alia* lightning, electrical, barrier related work pursuant to the terms of the agreements.

Description of the Project	Authority awarding	Project Cost (Rs Cr)	Date of Award	Estimated date of completion	Actual date of completion	Length (in km)
Upgradation of Ropar Nawashahir Banga Phagwara section of NH No. 344 A in the state of Punjab	NHAI	19.22	22-06-15	21-06-16	31-03-16	88.00
Operation and Maintenance for 4 lane dual carriageway from Km 407.100 to Km 456.100 of NH-1 (Jalandhar Amritsar) in the state of Punjab	NHAI	60.00	26-10-20	16-05-21	04-08-21	49.00
Six Laning of Panipat- Jalandhar section of NH-1 in the state of Haryana and Punjab, Punjab V - Repair and Maintenance of Highway	NHAI	36.66	27-10-20	29-05-21	29-05-21	175.10
Six Laning of Panipat- Jalandhar section of NH-1 From Km 96 to 387.1 in the state of Haryana and Punjab; Punjab V -Repair and Maintenance of Highway	NHAI	28.78	02-11-20	15-06-21	15-06-21	116.00
Upgradation of Ludhiana Malerkotla Sangrur Road	PWD B&R Sangrur	27.10	02-12-16	01-06-17	31-05-17	20.06

## GEOGRAPHICAL PRESENCE

State	State-wise Revenue from Operations		
	Fiscal 2024	Fiscal 2023	Fiscal 2022
Punjab	1,530.70	1,039.15	454.09
Jammu and Kashmir	413.44	190.73	18.29
Haryana	281.62	44.91	606.82
Himachal Pradesh	27.11	83.42	49.77
Maharashtra	23.39	21.03	4.81
Madhya Pradesh	10.86	-	-
Bihar	39.24	-	-
Uttar Pradesh	702.99	688.93	-
<b>Total</b>	<b>3,029.35</b>	<b>2,068.17</b>	<b>1,133.79</b>

## REVENUE FROM OPERATIONS

Particulars	Year ended March 31,		
	2024	2023	2022
Sale of goods	127.45	52.68	16.44
Revenue from Construction Contracts	2,842.56	2,015.49	1,117.35
- EPC	2,025.33	1,645.82	847.97
- HAM	807.52	360.79	264.07
- O&M	9.71	8.88	5.31
Finance income on financial assets carried on amortised cost	59.35	-	-
<b>Total Revenue from operations</b>	<b>3,029.35</b>	<b>2,068.17</b>	<b>1,133.79</b>

## COMPETITIVE STRENGTHS

- **One of the fastest growing EPC company with an experience in executing specialised structures**

The company has achieved one of the highest year-on-year revenue growth of approximately 43.10% in Fiscal 2024. They have grown at a CAGR of 50.13% between Fiscals 2021 to 2024. They have over 20 years of experience and expertise including construction, development and execution of major road and highway projects including expressways, specialized structures such as elevated roads and tunnels in various states of India.

The consistent growth in the Order Book has resulted from their continued focus on road projects and specialized structures along with their ability to successfully bid and win new projects. Their experience in execution of road projects including

specialized structures, technical capabilities, timely performance, reputation for quality as well as financial strength of their bids have enabled them to successfully bid for and win projects.

- **Healthy orderbook giving long term revenue visibility**

Diversifying the skill set and Order Book across different business and geographical regions, enables company to pursue a broader range of project tenders and therefore maximize their business volume and profit margins. The consistent growth in the Order Book is a result of their past experience, their focus on maintaining quality standards in their construction and project execution skills. Currently, their Total Project Cost for ongoing NHAI EPC projects is ₹ 3,871.06 crore and completed NHAI EPC projects is ₹ 3947.66 crore.

Currently they have been empanelled to participate with the Delhi Metro Rail Corporation Ltd in its upcoming tenders involving *inter alia* construction of railways, mega bridges and tunnels in India and abroad and also with a public sector undertaking for highways, bridges and tunnel construction work in north-eastern states of India, and such empanelment is mutually extendable. The significant growth of their business in terms of their Order Book, in the last 3 Fiscals, has contributed significantly to their financial strength.

- **Demonstrated project development, execution and operational capabilities**

Currently, the company has completed over 34 projects, including 16 EPC, 1 HAM, 5 O&M and 12 Item Rate Projects, in the roads and highways sector. Also, the company has 18 ongoing projects, including 13 EPC projects and 5 HAM projects which includes elevated corridors, bridges, flyovers, rail over-bridges, tunnels, expressway, runway, metro project and multi-lane highways. As on March 31, 2024, they have constructed over 1,739.88 lane kms of roads and highways, which also includes specialized structures such as elevated roads, flyovers, bridges, railway over bridges, tunnels, highways, expressways and runways, across various states in India.

They have recently acquired 50% stake in M/s R.K. Infra by way of the partnership deed dated February 22, 2024, which will benefit them to improve their project execution skills.

With multiple ongoing projects at any given time, ready access to equipment is essential to execute their ongoing projects efficiently along with timely completion of projects profitably and to bid for additional complex and challenging projects.

- **Efficient business model**

Company's growth is largely attributable to their efficient business model which involves careful identification of their projects and cost optimisation, which is a result of executing their projects with optimum planning and strategy. This model has facilitated them in maximising their efficiency and increasing the profit margins.

The company follows a strategic approach during the pre-bidding stage, which involves undertaking technical surveys and feasibility studies and analysing the technical and design parameters and the cost involved in undertaking the project. They have an integrated inventory management system, which enables them to manage their inventory efficiently and monitor equipment supply and mobilisation of their resources in a cost effective and timely manner.

- **Experienced management team**

The company has seen robust business growth under the vision, leadership and guidance of their individual Promoter and Managing Director, Ramneek Sehgal, who has more than 20 years of experience in the construction industry. Their individual Promoter has played a key role in the development of their business and they benefit from his industry knowledge and expertise, vision and leadership as well as strong operational knowledge, good relationships with their clients and a successful track record of executing infrastructure projects.

## KEY BUSINESS STRATEGIES

- **Diversification by leveraging existing capabilities**

The company intends to explore more opportunities in undertaking independent O&M projects in order to realize higher margins during the operation and maintenance stage of the project. The scale and complexity of their projects have increased in recent years and they intend to continue to focus on projects with higher contract values as well as projects involving construction of specialized structures. Their previous experience in completing projects involving specialized structures will enable them to bid and win more projects in the future.

As part of their business growth strategy, they intend to diversify into, and shall bid for, projects (including specialised structures) related to construction and maintenance of runways, projects related to railways and metros including earthwork and water treatment and sewerage related projects

- **Selectively expand the geographical footprint**

Currently, the company has undertaken road and highways projects over 10 states in India including in Punjab, Bihar, Jharkhand, Uttar Pradesh, Delhi, Himachal Pradesh, Haryana, Maharashtra and Jammu and Kashmir. They plan to continue their strategy of diversifying and expanding their presence in different states for the growth of their business. Their strategy of selective expansion is focused on mitigating diversification related risks. The geographical diversification of their projects will reduce their reliance on particular states in India and allow them to capitalise on different growth trends in various states across India.

- **Continue to explore hybrid annuity based model to optimize the project portfolio**

The company has undertaken majority of their projects on the EPC basis and while their focus primarily is to grow their EPC business, they will continue to seek and evaluate opportunities for undertaking HAM projects that match their corporate profile, project experience and execution capabilities and offer a risk and reward profile. The introduction of the HAM model in India provides opportunities for private developers to participate in the annuity-based model.

- **Continue focusing on enhancing execution efficiency**

The company intends to continue to invest in modern construction equipment to ensure continuous and timely availability of equipment critical to their business. They intend to continue to focus on efficient project execution by adopting current industry practices and modern equipment to deliver quality projects. The integration between Ceigall and R.K. Infra will help them mobilize more projects involving construction of extensive structures in a timely and efficient manner. They intend to integrate efficient practices from different sectors and geographic regions and continue their practice of efficient planning and project management and centralizing procurement of major equipment and raw materials.

- **Continue to grow and benefit from the robust future growth of India's economy and infrastructure**

The company is well positioned to take benefit of industry tailwinds with significant experience in roads and highways and expanding in other infrastructure selectively. The roads and highways infrastructure sector has high potential for growth and company's experience and track record in the construction business provides them with a competitive advantage in pursuing future opportunities. They will continue to focus on the operations, maintenance and development of their existing projects. They will continue to leverage their existing technology and adopt new technologies, designs and project management tools to increase productivity and maximize asset utilization in capital intensive activities.

## COMPETITION

The road construction industry in India is very competitive. Company's competition depends on various factors, such as the type of project, total contract value, potential margins, complexity, location of the project and risks relating to revenue generation. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price often is the deciding factor in most tender awards.

Company's main competitors are **J. Kumar Infraprojects, ITD Cementation India Ltd, PNC Infratech Ltd, H.G. Infra Engineering Ltd, KNR Constructions Ltd and G R Infraprojects Ltd.**

## COMPARISON WITH LISTED INDUSTRY PEERS

Company Name	Face Value	Revenue from Operations for Fiscal 2024 (₹ in Cr)	Closing price on July 12, 2024 (₹)	EPS		NAV	P/E	RoNW (%)
				Basic	Diluted			
Ceigall India Ltd	5	3,029.35	[ • ]	19.37	19.37	57.68	[ • ]	33.57%
PNC Infratech Ltd	2	8,649.87	523.00	35.45	35.45	202.11	14.75	17.54%
GR Infraprojects Ltd	5	8,980.15	1,724.80	136.90	136.87	786.27	12.60	17.40%
H G Infra Engineering Ltd	10	5,378.48	1,688.50	82.64	82.64	376.71	20.43	21.94%
KNR Constructions Ltd	2	4,429.49	363.90	27.64	27.64	124.37	13.17	21.51%
ITD Cementation Ltd	1	7,717.87	468.15	15.93	15.93	87.21	29.39	18.30%
J Kumar Infraprojects Ltd	5	4,879.21	860.40	43.71	43.71	349.44	19.68	12.51%

Source: RHP; With respect to the company, the information above is based on the Restated Consolidated Financial Statements.

## Comparison of KPIs with listed industry peers

(₹ in Cr)

Particulars	Ceigall India		KNR Construction		J Kumar Infraprojects		ITD Cementation		PNC Infraprojects	
	Fiscal 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023
Order Book	9,226	10,809	5,305	8,872	21,011	11,854	19,918	20,044	15,490	15,676
HAM Order Book	3,030	6,182	2,069	4,436	Na	Na	Na	Na	Na	Na
Third Party Order Book	6,196	4,627	3,236	4,436	Na	Na	Na	Na	Na	Na
Revenue from operations	3,029	2,068	4,429	4,062	4,879	4,013	7,718	5,091	8,650	7,956
Book to Bill Ratio (x)	3.05	5.23	1.20	2.18	4.31	2.82	2.58	3.94	1.79	1.97
EBITDA	518	296	1,066	917	704	628	809	463	2,005	1,600
EBITDA Margin (%)	17.09%	14.29%	24.07%	22.58%	14.43%	14.93%	9.86%	9.09%	23.17%	20.11%
Profit after tax ("PAT")	304	167	734	439	331	274	274	125	909	658
PAT Margin (%)	10.05%	8.09%	16.57%	10.82%	6.78%	6.53%	3.55%	2.45%	10.51%	8.28%
Cash Profit Margin (%)	11.72%	9.82%	19.47%	15.13%	10.12%	10.14%	6.21%	4.65%	12.44%	11.34%
Net Worth (Total Equity)	906	593	3,498	2,748	2,644	2,340	1,498	1,241	5,185	4,285
Total Debt	1,061	700	1,258	646	576	516	862	725	8,016	6,271
Net Debt	693	339	902	426	473	140	253	95.16	7,015	5,565
Net Debt to EBITDA	1.34	1.15	0.85	0.46	0.65	0.22	0.33	0.21	3.50	3.48
Total Debt to Equity	1.17	1.18	0	0.02	0.22	0.22	0.58	0.58	1.55	0.15
Return on Equity (RoE) (%)	33.57%	28.20%	20.98%	16.00%	12.51%	11.73%	18.30%	10.14%	17.54%	15.37%
Return on Capital Employed (RoCE) (%)	31.98%	28.67%	17.85%	25.48%	15.37%	18.62%	28.87%	23.62%	11.75%	13.30%
Net Working Capital (in days)	8	7	Na	400	Na	63.09	Na	(3)	314	428
Gross Block	425.68	342	Na	1,640	Na	1,724	Na	1,223	Na	1,173
Fixed Asset Turnover	0.14	0.17	Na	0.4	Na	0.41	Na	0.24	Na	0.15
Employee count	2,256	1,899	2,456	5,712	7,400+	7,434	Na	14,545	8,879	8,320

## Restated Statement of Cash Flows

(₹ in Cr)

Particulars	Fiscal		
	2024	2023	2022
<b>Profit/(Loss) before tax</b>	<b>405.35</b>	<b>225.19</b>	<b>169.47</b>
Adjustments Related to Non-Cash & Non-Operating Items	117.48	74.51	18.50
<b>Operating Profits before Working Capital Changes</b>	<b>522.83</b>	<b>299.70</b>	<b>187.97</b>
Adjustments for Changes in Working Capital	(625.11)	(308.69)	(275.12)
<b>Net cash generated from operations before tax</b>	<b>(102.28)</b>	<b>(8.99)</b>	<b>(87.15)</b>
Income tax paid – (net)	(108.55)	(63.73)	(47.44)
<b>Net cash generated from operating activities (a)</b>	<b>(210.83)</b>	<b>(72.72)</b>	<b>(134.59)</b>
Net cash used in investing activities (b)	(38.16)	(133.80)	(163.59)
Net cash used in financing activities (c)	274.92	325.97	309.61
Net (decrease) / increase in cash and cash equivalents during the period (a+b+c)	25.94	119.46	11.44
Add: Cash and cash equivalents as at the beginning of the period	216.93	97.47	86.03
Cash and cash equivalents as at the end of the period	242.87	216.93	97.47

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