



IPO NOTE

CEIGALL INDIA LIMITED

Rating:
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(For Long Term)



ISSUE OFFER

Issue Opens on	AUG 01, 2024
Issue Close on	AUG 05, 2024
Total IPO size (cr)	₹1,252.66
Fresh issue (cr)	₹684.25
Offer For Sale (cr)	₹568.41
Price Band (INR)	380-401
Market Lot	37
Face Value (INR)	₹5
Retail Allocation	35%
Listing At	NSE, BSE

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%

SHAREHOLDING (No. of Shares)

Pre Issue	Post Issue
157,136,000	174,199,640

INDICATIVE TIMETABLE

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

Ceigall India Limited 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. Over the last two 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 specialized structures across 10 states in India.

OBJECTS OF THE ISSUE

- Purchase of equipment.
- Repayment/ prepayment, in full or in part, of certain borrowings availed by the company and its subsidiary.

OUTLOOK & VALUATION

Ceigall India emerges as a rapidly growing EPC player with a strong track record in executing specialized infrastructure projects. Its robust order book, efficient business model, and proven project execution capabilities position the company for continued growth.

The company's consistent financial performance, marked by increasing top and bottom lines, further solidifies its position in the sector. However, significant contingent liabilities, dependence on government contracts, high working capital requirements, and intense competition present key challenges.

The IPO is priced at a fully valued P/E of 20.7x. While the company's growth prospects are promising, the aforementioned risks warrant a cautious approach. Considering these factors, a long-term perspective is essential for investors considering this IPO.



KEY MANAGERIAL PERSONNEL

01

Ramneek Sehgal

Managing Director and one of the Promoters of the Company. He has been associated with the Company since its incorporation. He is responsible for the analysis, profitability, and overall growth and innovation of the Company, as well as preparing and implementing business plans, and managing cost-effective operations and market development activities.

03

Utkarsh Gupta

Company Secretary and Compliance Officer of the Company. He has been associated with the Company since June 13, 2024. He is a fellow member of the Institute of Company Secretaries of India. He is an associate of the Institute of Company Secretaries of India. He was previously associated with GMR SEZ and Port Holdings Private Limited.

02

Kapil Agarwal

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 analyzing the Company's financial strengths and weaknesses and proposing strategic directions. He is an associate of the Institute of Chartered Accountants of India and was previously associated with E5 Infrastructure Private Limited.

04

Bhagat Singh

Group Chief Financial Officer of the Company. He has been associated with the Company since July 12, 2021. He is responsible for assessing and optimizing financing options, conducting financial research and analysis, engaging in strategic decision-making activities, and raising capital through financial institutions, banks, and money market instruments.

COMPANY PROFILE

- The company has completed over 34 projects in the roads and highways sector, including 16 EPC, one HAM, five O&M, and 12 Item Rate Projects. Currently, the Company has 18 ongoing projects, including 13 EPC projects and five HAM projects, including elevated corridors, bridges, flyovers, rail over-bridges, tunnels, expressways, runways, metro projects, and multi-lane highways.
- its EPC and HAM projects, the scope of its services typically includes design and engineering of the project, procurement of raw materials, project execution at the site with overall project management up to the commissioning of these projects.
- The company has experience executing projects across diverse geographic locations in India with varying degrees of complexities.
- It executes a majority of its projects itself or through its Subsidiaries, it also forms project-specific joint ventures, and special purpose vehicles with other infrastructure and construction companies.

COMPETITIVE STRENGTHS

- One of the fastest growing EPC companies with experience in executing specialised structures.
- Healthy order book giving long-term revenue visibility.
- Demonstrated project development, execution, and operational capabilities.
- Efficient business model.
- Experienced management team.

KEY STRATEGIES

- Diversification by leveraging existing capabilities.
- Selectively expand its geographical footprint.
- Continue to explore a hybrid annuity-based model to optimize its project portfolio.
- Continue focusing on enhancing execution efficiency.
- Continue to grow and benefit from the robust future growth of India's economy and infrastructure.

KEY CONCERNS

- The business is primarily dependent on contracts awarded by governmental authorities.
- All projects it operates are awarded primarily through a competitive bidding process.
- The business requires a high amount of working capital.
- It operates in a competitive environment and competes against various domestic and foreign engineering, construction, and infrastructure companies.
- Its projects are exposed to various implementation and other risks, including risks of time and cost overruns, and uncertainties, which may adversely affect its business.
- The Company has high contingent liabilities.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (Basic)	NAV	P/E	TOTAL INCOME (In ML)	RoNW (%)
Ceigall India Limited	19.37	57.68	-	30,293.52	33.57%
Peer Group					
PNC Infratech Limited	35.45	202.11	14.75	86,498.68	17.54%
G R Infraprojects Limited	136.90	786.27	12.60	89,801.50	17.40%
H.G. Infra Engineering Limited	82.64	376.71	20.43	53,784.79	21.94%
KNR Constructions Limited	27.64	124.37	13.17	44,294.86	21.51%
ITD Cementation India Limited	15.93	87.21	29.39	77,178.73	18.30%
J Kumar Infraprojects Limited	43.71	349.44	19.68	48,792.05	12.51%

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (RS. IN MILLION)	FY 2024	FY 2023	FY 2022
Equity Share Capital	785.68	392.84	392.84
Other equity	8,091.61	5,537.78	3,919.67
Net Worth	9,064.13	5,930.62	4,312.51
Total Borrowings	6,473.64	3,675.99	1,703.97
Revenue	30,293.52	20,681.68	11,337.88
EBITDA	5,176.62	2,956.29	1,859.15
Profit/loss of the year	4,053.54	2,251.92	1,694.72
Net Profit/loss of the Year	3,049.09	1,677.04	1,264.34


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