

Ciegall India Limited

Issue Detail	
Price Band (Rs.)	Rs.380 - Rs.401
Face Value (Rs.)	5.00
Issue Size (Rs.)	₹1,252.66 Cr
Issue Type	Book Built Issue IPO
Lot Size	37 shares
Issue Opens	August 1, 2024
Issue Closes	August 5, 2024
Listing on	BSE & NSE

Indicative Timeline	On or before
Finalization of Basis of Allotment	August 6, 2024
Unblocking of Funds	August 7, 2024
Credit of shares to Demat Account	August 7, 2024
Listing on exchange	August 8, 2024.

Other Detail	
Book Running Lead Managers	ICICI Securities Limited, Iifl Securities Ltd, JM Financial Limited
Registrar	Link Intime India Private Ltd

IPO Shareholding (%)		
Category	Pre-Issue	Post-Issue
Promoters	99.99%	82.06%
Public	0.01%	17.94%
Total	100.00%	100.00%

Distribution Team	
E:	ipo@acm.co.in
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Company Background

Ciegall India, incorporated in July 2002, they have 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 two decades they have 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 ten states in India.

Since its inception, they have 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).

Issue Details

The issue size is Rs 1,252.66 crores. It is combination of fresh issue of 17,063,640 shares aggregating to Rs 684.25 crores and offer for sale of 14,174,840 shares aggregating to Rs 568.41 crores.

Issue Objectives

The company will achieve:

- Purchase of equipment;
- Repayment/ prepayment, in full or in part, of certain borrowings availed by:
 - The Company; and
 - The Subsidiary, Ciegall Infra Projects Private Limited
- General Corporate purposes

IPO Share Issue Structure

Category	Allocation	Number of Shares	Value at upper price band (Rs. in Cr.)
QIB (Institutional)	50%	1,55,94,302	625
Non Institutional	15%	46,78,291	188
Retail	35%	1,09,16,012	438
*Employee		49,875	2
Total	100%	3,12,38,480	1252.66

*Employee Discount of Rs 38 per share

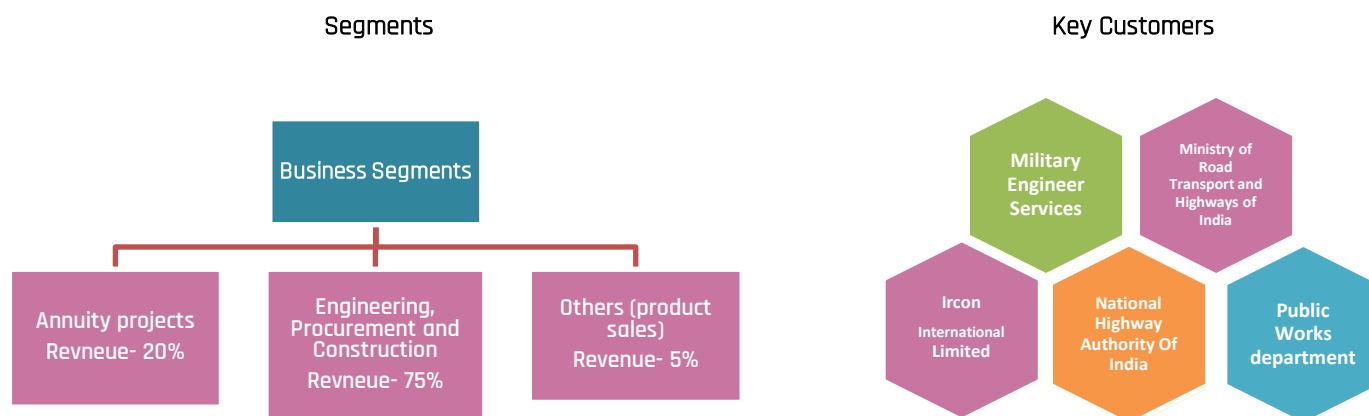
Source: Company RHP, ACMIIL Research

Outlook

Ciegall India Limited is positioned to benefit from the growth in the infrastructure sector by developing strong R&D and construction operations. The company has developed strong relationships across the Indian infrastructure industry, and revenue from EPC services has historically been derived from a diverse customer base. Maintaining high standards of quality for projects is critical to the brand and continued growth, which witnesses a positive outlook for the future.

Company Overview

Ceigall India Limited is an integrated infrastructure company specializing in complex EPC projects for the domestic market.



Source: Company RHP, ACMIIL Research

The Company has completed over 34 projects, including 16 EPC, one HAM project, five 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 five HAM projects which includes elevated corridors, bridges, flyovers, rail over-bridges, tunnels, expressway, runway, metro project and multi-lane highways. Ceigall have demonstrated track record of completing the Projects ahead of schedule. As on date, they have completed seven EPC projects out of 16 before the schedule completion date.

Product Offerings

EPC and HAM Projects

For the EPC and HAM projects awarded by the Employer, the scope of services generally encompasses the design and engineering of the project, procurement of raw materials, and the execution of the project at the site. The ability to execute projects efficiently has contributed to completing them in a timely manner, and in some instances, even before the stipulated deadlines, all while adhering to required quality standards.

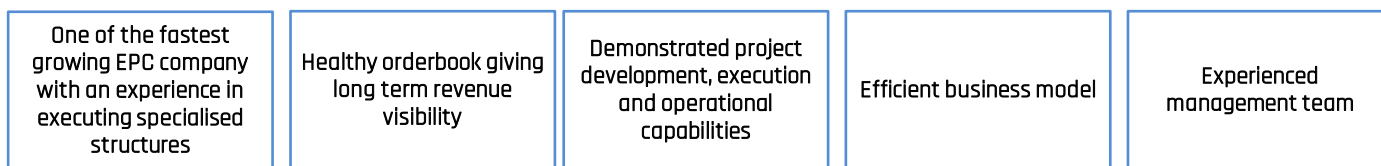
Operation & Maintenance Projects

In terms of operation and maintenance (“O&M”) projects, the company has previously entered into and continues to engage in agreements related to O&M. These agreements cover maintenance activities such as lighting, electrical work, and barrier-related tasks. The primary responsibilities under these agreements include road maintenance, road property management, and incident management. Adherence to protocols, technical standards, and inspection and safety standards is required throughout the O&M period. The company has been contracted as an O&M provider to handle these activities, taking on the responsibility for asset operation and management as outlined in the EPC/HAM agreements.

Notable Projects Examples

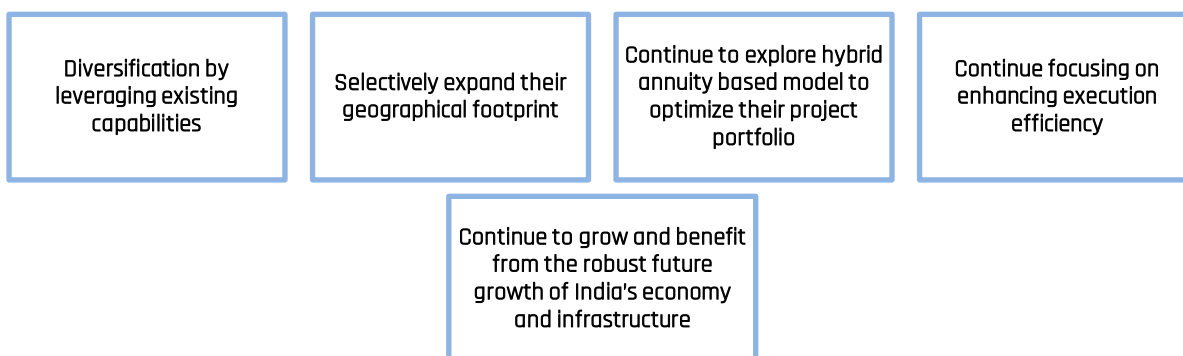
- **The Delhi-Amritsar-Katra Expressway**, which aims to improve connectivity through a four-lane Greenfield highway.
- **The Delhi-Saharanpur Highway**, a six-lane access-controlled project in Uttar Pradesh.
- **The Gonde-Vadape Project**, which includes the operation and maintenance of a divided carriageway.
- **The Ramdas Gurdaspur Project**, which focuses on the rehabilitation and augmentation of existing highways under the Bharatmala scheme.

Competitive Strengths



Source: Company RHP, ACMIIL Research

Key Business Strategies



Source: Company RHP, ACMIIL Research

Financial Snapshot (Consolidated)

Particulars (Rs in Mn.)	FY22	FY23	FY24
Revenue from Operations	11,337.88	20,681.68	30,293.52
EBITDA	1,859.15	2,956.29	5,176.62
EBITDA Margin	16.40%	14.29%	17.09%
PAT	1,258.61	1,672.72	3,043.07
PAT Margin (%)	11.10%	8.09%	10.05%
Diluted EPS	8.01	10.65	19.37
Debt-Equity Ratio	0.73	1.18	1.17
ROE %	29.19%	28.20%	33.57%
ROCE %	29.84%	28.67%	31.98%

Note: * Not annualised

Source: Company RHP, ACMIIL Research

Comparison with Peers as on 31st March, 2024

Name of Company	Revenue from operations (in mn)	EPS (₹) Diluted	P/E	RONW (%)
Ceigall India Limited	30293.52	19.37	[●]	33.57
PNC Infratech Limited	86498.68	35.45	14.75	17.54
G R Infraprojects Limited	89801.5	136.87	12.6	17.4
H.G. Infra Engineering Limited	53784.79	82.64	20.43	21.94
KNR Constructions Limited	44294.86	27.64	13.17	21.51
ITD Cementation India Limited	77178.73	15.93	29.39	18.3
J Kumar Infraprojects Limited	48792.05	43.71	19.68	12.51

Source: Company RHP, ACMIIL Research

Risks and concerns

- Any adverse changes in central, state, or local government policies may result in contracts being foreclosed, terminated, restructured, or renegotiated, which could materially affect the business, profitability, and results of operations.
- Delays in the completion of construction of ongoing projects could lead to termination of contracts or cost overruns or claims for damages, which could have an adverse effect on cash flows, business, results of operations and financial condition

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Rollover Analysis (Monthly)	IPO Note
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