

This is a public announcement for information purposes only and is not a prospectus announcement and does not constitute an invitation or offer to acquire, purchase or subscribe to securities. Not for release, publication or distribution directly or indirectly, outside India. Initial public offer of Equity Shares (as defined below) on the main board of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges" in compliance with Chapter I of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").



CEIGALL INDIA LIMITED

Our Company was originally incorporated as "Celgall Builders Private Limited" at Ludhiana, Punjab, India under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated July 8, 2002, as a private limited company issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Chandigarh. Upon the conversion of our Company into a public limited company, pursuant to a board resolution dated January 28, 2011 and a shareholders resolution dated January 20, 2011, the name of our Company was changed to "Celgall India Limited" and a fresh certificate of incorporation dated February 9, 2011 was issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Chandigarh. For details in relation to the changes in the registered office of our Company, see "History and Certain Corporate Matters - Changes in the registered office of our Company" on page 244 of the red herring prospectus dated July 26, 2024 filed with the RoC ("RHP" or "Red Herring Prospectus").

Corporate Identity Number: U45201PG020012002627

Registered Office: A-898, Tagore Nagar, Ludhiana 141 001, Punjab, India; Corporate Office: 2nd Floor, JMK Towers, Kapashera, Delhi 110 037, India; Contact Person: Utkarsh Gupta, Company Secretary and Compliance Officer; Tel: +91 161 4523666; E-mail: secretary@celgall.com; Website: www.celgall.com

PROMOTERS OF OUR COMPANY: RAMNEEK SEHGAL, RAMNEEK SEHGAL AND SONS HUF AND RS FAMILY TRUST

INITIAL PUBLIC OFFERING OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH ("EQUITY SHARES") OF CEIGALL INDIA LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE INCLUDING A SECURITIES PREMIUM OF ₹ [•] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹ [•] MILLION (THE "OFFER"), THE OFFER COMPRISES A FRESH ISSUE OF UP TO [•] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 6,842.32 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 14,174,840 EQUITY SHARES (THE "OFFERED SHARES") AGGREGATING UP TO ₹ [•] MILLION (THE "OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH, AGGREGATING UP TO ₹ 20.00 MILLION (CONSTITUTING UP TO [•] % OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HERINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [•] % AND [•] %, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

| DETAILS OF THE OFFER FOR SALE BY SELLING SHAREHOLDERS AND THE WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE OF FACE VALUE OF ₹ 5/- EACH. | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------|
| NAME OF SELLING SHAREHOLDER | TYPE | NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (₹ IN MILLION) | WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹) |
| Ramneek Sehgal | Promoter Selling Shareholder | Up to 4,248,300 Equity Shares of face value of ₹ 5 each aggregating up to ₹ [•] million | Nil |
| Ramneek Sehgal and Sons HUF | Promoter Selling Shareholder | Up to 7,336,050 Equity Shares of face value of ₹ 5 each aggregating up to ₹ [•] million | Nil |
| Ameet Luthra | Promoter Group Selling Shareholder | Up to 4,950 Equity Shares of face value of ₹ 5 each aggregating up to ₹ [•] million | 0.02 |
| Mohinder Pal Singh Sehgal | Promoter Group Selling Shareholder | Up to 919,960 Equity Shares of face value of ₹ 5 each aggregating up to ₹ [•] million | 0.06 |
| Parmjit Sehgal | Promoter Group Selling Shareholder | Up to 548,980 Equity Shares of face value of ₹ 5 each aggregating up to ₹ [•] million | Nil |
| Sinran Sehgal | Promoter Group Selling Shareholder | Up to 914,950 Equity Shares of face value of ₹ 5 each aggregating up to ₹ [•] million | 0.06 |
| Kanwaldeep Singh Luthra | Individual Selling Shareholder | Up to 1,650 Equity Shares of face value of ₹ 5 each aggregating up to ₹ [•] million | 0.06 |

*As certified by Statutory Auditors, by way of their certificate dated July 26, 2024.

We are an infrastructure construction company with experience in undertaking construction of elevated roads, flyovers, bridges, railway over bridges, tunnels, highways, metros, expressways and runways. Our business model is broadly divided into engineering, procurement and construction projects, Hybrid Annuity Model projects and operation and maintenance.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

QIB Portion: Not more than 50% of the Net Offer | Non-Institutional Category: Not less than 15% of the Net Offer | Retail Category: Not less than 35% of the Net Offer
Employee Reservation Portion: Up to [•] Equity Shares of face value of ₹ 5 each aggregating up to ₹20.00 million.

PRICE BAND: ₹380 TO ₹401 PER EQUITY SHARE OF FACE VALUE OF ₹5 EACH

THE FLOOR PRICE AND THE CAP PRICE ARE 76.00 TIMES AND 80.20 TIMES THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY
BIDS CAN BE MADE FOR A MINIMUM OF 37 EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH AND IN MULTIPLES OF 37 EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH THEREAFTER
A DISCOUNT OF ₹ 38 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated July 27, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Offer Price" section beginning on page 114 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in the "Basis for Offer Price" section on page 124 of the RHP and provided below in this advertisement.

In making an investment decision, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the merits and risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS:

(For details refer to section titled "Risk Factors" on page 34 of the RHP)

- Our business is primarily dependent on contracts awarded by governmental authorities. As on June 30, 2024, Fiscal 2024, 2023 and 2022 the NHAI projects awarded to us constituted 80.31%, 76.66%, 89.72% and 95.05% of our Order Book, while the remaining 19.69%, 23.34%, 10.28%, and 4.95 % of our Order Book was from contracts with other central, state governmental and local departments. Any adverse changes in the central, state or local government policies may lead to our contracts being foreclosed, terminated, restructured or renegotiated, which may have a material effect on our business and results of operations.
- Losses and negative cash flow from operating activities in the past:** We have sustained negative cash flows from operating activities in the past and may experience earnings declines or operating losses or negative cash flows from operating activities in the future. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.
Details are as follows:
(in ₹ million)

| Particulars | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---------------------------------------------------------|-------------|-------------|-------------|
| Net cash generated from/ (used in) operating activities | (2,108.26) | (727.13) | (1,345.89) |
| Net cash generated from/ (used in) investing activities | (381.58) | (1,337.95) | (1,635.86) |
| Net cash generated from/ (used in) financing activities | 2,749.22 | 3,259.72 | 3,096.12 |
- Competitive Risk:** All, EPC and HAM projects we operate have been awarded primarily through competitive bidding process. Our bids may not always be accepted. We may not be able to qualify for, compete and win projects or identify and acquire new projects, which could adversely affect our business and results of operations. In Fiscal 2024, 2023 and 2022, our Company has bid for 52, 50 and 139 projects and has been awarded 4, 5 and 14 projects. Further Market conditions may affect our ability to complete our HAM and EPC projects at expected profit margin.
- Operational Risk:** Our revenue from execution of projects in the roads and highways sector including specialized structures constituted approximately 92.71%, 96.57% and 97.46% of our total revenue for the Financial Years ended March 31, 2024, 2023 and 2022, respectively. Our business and our financial condition would be materially and adversely affected if we fail to obtain new contracts or our current contracts are terminated.
- Risk related to high working capital requirement:** We have high working capital requirements. If we experience insufficient cash flows to enable us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations and profitability of our Company. Our working capital requirement was ₹ 5,304.70 in Fiscal 2024, ₹ 4,059.98 in Fiscal 2023 and ₹ 3,080.25 in Fiscal 2022.
- Risk related to RoC non-compliance:** In the past, we have had instances of non-compliance under the Companies Act, 2013, where our Company had filed compounding applications for non-compliance by (i) not constituting nomination and remuneration committee; (ii) not constituting audit committee and (iii) not appointing at least two independent directors on Board. Any such instances of non-compliance may have an adverse effect on our reputation and impact our profitability.
- Risk related to delay in completion of construction:** Delays, such as natural disaster, seasonal impact, delay in land acquisition by authority and others, in the completion of construction of ongoing projects could lead to termination of our contracts or cost overruns or claims for damages, which could have an adverse effect on our business and results of operations.
- Risk related to operations with Joint venture:** Projects sub-contracted or undertaken through a joint venture may be delayed on account of non performance of the joint venture partner, principal or sub-contractor, resulting in delayed payments or non enforcement of performance guarantee issued by us, could lead to material adverse effect on our business and results of operations.
- Risk related to payment towards royalty charges for mining:** We are required to pay royalty charges for mining pursuant to terms of our contracts and specific central and state regulations. Any adverse change in the terms of contract and policies adopted by the government regarding payment of royalty on mining could adversely affect our project cost and profitability. We have paid mining royalty of ₹ 365.60 million in Fiscal 2024, ₹ 65.88 million in Fiscal 2023, ₹ 11.30 million in Fiscal 2022, ₹ 56.59 million in Fiscal 2021 and ₹ 1.03 million in Fiscal 2020.
- Operations related risk:** Our operations are subject to accidents, mishaps, failure of equipment, power supply, labour disputes, natural disasters or other force majeure conditions which are beyond our control and could expose us to material liabilities, loss in revenues and increased expenses, which could have an adverse effect on our business and results of operations.
- Regional Concentration Risk:** Our business is relatively concentrated in north, west and central region of India and any adverse development in these regions may adversely affect our business and results of operations.
- Risk related to arrangement or invocation of performance bank guarantee:** We are required to furnish financial and performance bank guarantees as part of our business.

Continued on next page...

Continued from previous page

In Fiscal 2024, 2023 and 2022, Our Company has issued bank guarantee (including letter of credit) of ₹ 7,498.97 million, ₹ 5,524.82 million and ₹ 3,358.09 million. Our inability to arrange such guarantees or the invocation of such guarantees may adversely affect our financial condition.

13. The Offer comprises an Offer for Sale by the Selling Shareholders. The Selling Shareholders will receive the entire proceeds from the Offer for Sale (after deducting applicable Offer expenses) and our Company will not receive any part of the proceeds of the Offer.

14. We operate in a competitive environment and compete against various domestic and foreign engineering, construction and infrastructure companies and our failure to successfully compete could result in the loss of one or more of our significant customers and may adversely affect our business.

15. We may not be able to always complete our projects ahead of schedule and be eligible for early completion bonus, which could have an adverse effect on our profitability.

16. Weighted average cost of acquisition of primary and secondary issuances as compared to Floor Price and Cap Price:

Table with 4 columns: Past transactions, Weighted average cost of acquisition per Equity Share (₹)*, Floor Price (₹), Cap Price (₹). Rows include WACA of Equity Shares based on primary issuances and secondary transactions.

* As certified by Statutory Auditors, by way of their certificate dated July 27, 2024.

17. Average cost of acquisition of Equity Shares for our Selling Shareholders in the Offer is as stated in the below table and the Offer Price at the upper band of the price band is ₹401.

Table with 3 columns: Name, Number of Equity Shares, Average Cost of Acquisition per Equity Share (₹)*. Rows include Ramneek Sehgal, Ramneek Sehgal and Sons HUF, Avneet Luthra, Kanwaldeep Singh Luthra, Mohinder Pal Singh Sehgal.

BID/OFFER PROGRAMME

*UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

An indicative timetable in respect of the Offer is set out below:

Submission of Bids (other than Bids from Anchor Investors):

Table with 2 columns: Bid/Offer Period (except the Bid/Offer Closing Date), Submission and Revision in Bids. Rows include Electronic Applications, Physical Applications, etc.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. In case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/Offer Period not exceeding 10 Working Days.

ASBA Simple, Safe, Smart way of Application!!! Applications Supported by Blocked Amount (ASBA) is a better way of applying to offers by simply blocking the fund in the bank account.

UPI Now available in ASBA for Retail Individual Investors and Non-Institutional Investor applying in public issues where the application amount is up to ₹ 500,000, applying through Registered Brokers, Syndicate, CDP & RTAs.

Table with 3 columns: Name, Number of Equity Shares, Average Cost of Acquisition per Equity Share (in ₹)*. Rows include Parmjit Sehgal, Simran Sehgal.

* As certified by Statutory Auditors, by way of their certificate dated July 26, 2024.

18. Weighted average cost of acquisition of all shares transacted in the three years, 18 months and one year preceding the date of the Red Herring Prospectus:

Table with 4 columns: Period, Weighted average cost of acquisition per Equity Share (in ₹), Cap Price is 'x' times the weighted average cost of acquisition, Range of acquisition price per Equity Share: lowest price-highest price (in ₹). Rows include Last one year preceding the date of the Red Herring Prospectus, Last 18 months preceding the date of the Red Herring Prospectus, Last three years preceding the date of the Red Herring Prospectus.

* As certified by Statutory Auditors by way of their certificate dated July 27, 2024.

19. The Price to Earnings Ratio based on Basis and Diluted EPS for Fiscal 2024 at the upper end of the Price Band is 20.70 times as compared to the average industry Peer Group PE Ratio of 18.34.

20. Weighted Average Return on Net Worth for the Financial Years 2024, 2023 and 2022 is 31.05%.

21. The three BRLMs associated with the Offer have handled 78 public issues in the past three financial years, out of which 20 issues closed below the Offer Price on listing date:

Table with 3 columns: Name of the BRLMs, Total Public Issues, Issues closed below Offer Price on listing date. Rows include ICICI Securities Limited, IIFL Securities Limited, JM Financial Limited, Common issues handled by the BRLMs, Total.

* Issues handled where there are no common BRLMs.

BID/OFFER OPEN BID/OFFER CLOSES ON MONDAY, AUGUST 5, 2024*

Table with 2 columns: Modification/Revision/Cancellation of Bids, Upward/Downward Revision of Bids or cancellation of Bids by RIBs. Rows include Upward revision of bids by QIBs and Non-Institutional Bidders, Upward or downward revision of bids or cancellation of bids by RIBs.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes dated February 13, 2020 and read with press releases dated June 25, 2021, read with press release dated September 11, 2021 and CBOT circular No. 1 of 2022, dated March 30, 2022 and read with press release dated March 28, 2023 and any subsequent press releases in this regard.

ASBA Simple, Safe, Smart way of Application!!! Applications Supported by Blocked Amount (ASBA) is a better way of applying to offers by simply blocking the fund in the bank account.

ICICI Securities ICICI Ventures House, Appasaham Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India

IIFL SECURITIES 24th Floor, One Lucha Plaza, Senapati Bapat Marg, Lower Panel (West), Mumbai 400 015, Maharashtra, India

JM FINANCIAL 7th Floor, Energy, Appasaham Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India

LINK Intime Link Intime India Private Limited, C-101, 1st Floor, 24/ Park, L.B.S. Marg, Wazirpur, New, Mumbai 400 023, Maharashtra, India

COMPANY SECRETARY AND COMPLIANCE OFFICER Utkarsh Gupta, CEIGALL INDIA LIMITED, A-303, Tagore Nagar, Ludhiana 141 001 Punjab, India

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the 'Risk Factors' beginning on page 34 of the RHP before applying for the Offer. A copy of the RHP is available on the website of SEBI at www.sebi.gov.in and is available on the websites of the BRLMs, ICICI Securities Limited at www.icicisecurities.com, IIFL Securities Limited at www.iifl.com and JM Financial Limited at www.jmfin.com respectively. The website of the Company, Ceigall India Limited and the websites of the Stock Exchanges, for BSE at www.bseindia.com and for NSE Limited at www.nseindia.com.