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# SRM CONTRACTORS LIMITED

Our Company was incorporated on September 4, 2008 as 'SRM Contractors Private Limited', a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated September 4, 2008 issued by the Registrar of Companies, Jammu. Subsequently, our Company was converted to a public limited company pursuant to a special resolution passed by the shareholders of our Company at the extraordinary general meeting held on June 30, 2023 and the name of our Company was changed from 'SRM Contractors Private Limited' to 'SRM Contractors Limited', pursuant to conversion from private to public company and a fresh certificate of incorporation dated August 11, 2023 issued by the Registrar of Companies, Jammu. For details of change in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 217 of the red herring prospectus dated March 16, 2024 filed with the RoC (RHP) or "Red Herring Prospectus".

Corporate Identity Number: U45403J2008PLC002933

Registered Office: Sector 3, Near BJP Head Office, Trikuta Nagar, Jammu - 180012, Jammu and Kashmir, India. Contact Person: Arun Mathur, Company Secretary and Compliance Officer; Tel: +91 84918 77114 / +0191 2472729

E-mail: cs@srmcpl.com; Website: www.srmcpl.com



(Please scan the QR code to view the RHP)

## OUR PROMOTERS: SANJAY MEHTA, ASHLEY MEHTA AND PUNEET PAL SINGH

INITIAL PUBLIC OFFERING OF UP TO 62,00,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF SRM CONTRACTORS LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹[•] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹[•] LAKHS ("THE ISSUE"). THE ISSUE WILL CONSTITUTE [•]% OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL.

Our Company is an engineering construction and development company engaged primarily in the construction of tunnels, slope stabilisation works, roads (including bridges) and other miscellaneous civil construction activities in the Union Territories of Jammu & Kashmir and Ladakh.

The Issue 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 Issue • Non-Institutional Portion: Not less than 15% of the Issue • Retail Portion: Not less than 35% of the Issue

PRICE BAND: ₹200 TO ₹210 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH

THE FLOOR PRICE IS 20 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 21 TIMES THE FACE VALUE OF THE EQUITY SHARES

THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FINANCIAL YEAR 2023 FOR THE ISSUER AT THE UPPER END OF THE PRICE BAND

IS AS HIGH AS 2.31 AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP PE RATIO OF 32.15 WEIGHTED AVERAGE RETURN ON

NET WORTH FOR FISCAL 2023, 2022 AND 2021 IS 28.21%

BIDS CAN BE MADE FOR A MINIMUM OF 70 EQUITY SHARES AND IN MULTIPLES OF 70 EQUITY SHARES THEREAFTER

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated March 16, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for the Issue Price" section on pages 121 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 the Issue Price" section on pages 121 of the RHP.

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

## RISKS TO INVESTORS:

1. In past, our Promoter namely, Sanjay Mehta have made secondary sale of the Equity Shares held by him at ₹ 49 per equity shares dated June 19, 2023 and transfer price for such secondary sale is lower than the Issue price the Cap price is ₹ 210.

2. Our business is concentrated in the Union Territory of Jammu & Kashmir and Ladakh and we are exposed to risks emanating from economic, regulatory and other changes in the Union Territory of Jammu & Kashmir and Ladakh.

Our business is primarily dependent on projects undertaken or awarded in the Union Territory of Jammu & Kashmir and Ladakh, by our client such as National Highways & Infrastructure Development Corporation Limited - Ministry of Road Transport & Highways, Government of India (NHIDCL), Konkan Railway Corporation Limited (KRCL), Government of Jammu and Kashmir Economic Reconstruction Agency (ERA, Jammu), Border Road Organisation (BRO), Public Work (R&B) Department, Jammu & Kashmir (PWD, J&K), Northern Railway, Irrigation & Flood Control Department, J&K, J&K Rural Roads Development Agency (JKRRDA), other entities funded by the Government of India, J&K Government and Third party major infrastructure and construction entities executing projects in the Union Territory of Jammu & Kashmir and Ladakh.

3. We derive a significant portion of our revenues from a limited number of clients. The loss of any significant clients may have an adverse effect on our business, financial condition, results of operations, and prospects

(in ₹ lakhs)

No.	Particulars	For nine (9) months period ending December 31, 2023		Financial Year 2022-23		Financial Year 2021-22		Financial Year 2020-21	
		Revenue	%	Revenue	%	Revenue	%	Revenue	%
1.	Revenue from Top five (5) Clients	18,945.15	80.77%	21,518.48	71.66%	21,050.37	79.85%	12,440.27	77.72%
2.	Revenue from Top ten (10) Clients	22,926.67	97.74%	27,626.16	92.00%	25,280.30	95.90%	14,597.40	91.20%

4. Our business is working capital intensive involving relatively long implementation periods. We require substantial financing for our business operations. Our indebtedness and the conditions and restrictions imposed on by our financing arrangements could adversely affect our ability to conduct our business.

Typically, projects in the infrastructure sector which we undertake are working capital intensive in nature and involve long implementation periods. Majority of the working capital funds of our Company are blocked due to providing margin money for Bank Guarantee, Earnest Money Deposit, Performance Deposit and Security deposit (for our Projects) on which the banks are not providing finance. As on December 31, 2023, our Company's net working capital consisted of ₹ 8,622.13 Lakhs. Further, As on March 31, 2023, our Company's net working capital consisted of ₹ 7,056.79 Lakhs as against ₹ 4,585.17 lakhs as on March 31, 2022 and ₹ 27,32.52 lakhs as on March 31, 2020. As on December 31, 2023, our total borrowings stood at ₹ 4,232.28 lakhs. We may incur additional indebtedness in the future. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements.

5. We derive majority of our revenues from construction of Roads, Tunnel and Slope Stabilisation work and our financial condition would be materially and adversely affected if we fail to obtain new Roads, Tunnel and slope stabilisation work or our current Roads, Tunnel and Slope Stabilisation work are terminated.

(in ₹ lakhs)

Our operations	As on nine (9) months December 31, 2023	As % of Revenue from Operations	As on March 31, 2023	As % of Revenue from Operations	As on March 31, 2022	As % of Revenue from Operations	As on March 31, 2021	As % of Revenue from Operations
Road Projects	17,585.32	74.97%	13,532.93	45.07%	10,277.71	38.99%	8,729.29	54.54%
Tunnel Projects	62.87	0.27%	7,822.08	26.05%	10,857.19	41.22%	6,742.26	42.12%
slope stabilisation works	5,676.72	24.20%	8,390.26	27.94%	4,904.58	18.61%	228.71	1.43%
Other miscellaneous civil Construction Activity	130.13	0.55%	283.80	0.94%	311.66	1.18%	305.62	1.91%

6. The average cost of acquisition of Equity Shares by our Promoters could be lower than the floor price.

Promoters	Average cost of acquisition per Equity Share (in ₹)
Sanjay Mehta	0.72
Ashley Mehta	NIL
Puneet Pal Singh	49

7. Our Company is not in strict compliance with the Corporate Social Responsibility as required under the provision of Companies Act 2013.

As per the applicable laws, Our Company is required to spend 2% of its average net profits made during preceding three financial year on CSR activities. We have undertaken CSR activities financial contributions in Prime Minister Cares Fund and local welfare trusts undertaking activities pertaining to the welfare of old age people and education of children and have spent 17.04 lakhs, 1.80 lakhs and 1.81 lakhs in FY 2022-23, 2021-22 and 2020-2021, respectively. However, our Company has not met with its statutory requirement of spending ₹ 25.55 lakhs, ₹ 13.39, ₹ 11.21 in FY 2022-23, 2021-22 and 2020-2021, respectively and has not complied with requirement of parking the embarked CSR contribution funds into a separate account within the stipulated timelines.

8. Weighted Average Cost of Acquisition for all Equity Shares transacted in one year, eighteen months and three years preceding the date of the Red Herring Prospectus by our Promoters and Promoter group:

Period	Weighted Average Cost of Acquisition (in ₹)*	Upper end of the Price band (₹ 210) is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price - Highest Price (in ₹)
Last 1 year	0.32	656.25	Lowest and Highest price ₹ 0.32
Last 18 months	0.32	656.25	Lowest and Highest price ₹ 0.32
Last 3 years	0.32	656.25	Lowest and Highest price ₹ 0.32

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**9. This is the first Main Board Public Issue being handled by BRLM associated with Issue. The BRLM has handled 14 SME public issues in the past three years, out of which 7 issues closed below the issue price on listing date.**

**10. Weighted Average Cost of Acquisition for all Equity Shares transacted during eighteen months preceding the date of the Red Herring Prospectus by our Promoters and Promoter group:**

Period	Weighted Average Cost of Acquisition (in ₹)*	Floor Price (i.e., ₹200)	Cap Price (i.e., ₹210)
WACA of Primary Transaction	NA	NA	NA
WACA of Secondary Transaction	0.32	625 times	656.25 times

## BID / ISSUE PROGRAMME

## ANCHOR INVESTOR BID/ISSUE PERIOD ON MARCH 22, 2024

**BID / ISSUE OPENS ON MARCH 26, 2024\***

**BID / ISSUE CLOSING ON MARCH 28, 2024\*\***

\*Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be 1 (one) Working Day prior to the Bid/Issue Opening Date.  
\*\*Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs 1 (one) Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.  
\*The LPM mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

### BASIS FOR THE ISSUE PRICE

#### Notes:

- Total income includes revenue from operation and other income.
- Revenue from operations represents the Contact receipt income from the projects executed by the Company as recognized in the Restated financial information.
- Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.
- EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax (loss) for the year and adding back finance costs, depreciation, and amortization expense.
- EBITDA margin is calculated as EBITDA as a percentage of total income.
- Net Profit for the year represents the restated profits of our Company after deducting all expenses.
- Net Profit margin is calculated as restated profit & loss after tax for the year divided by total income.
- Return on net worth is calculated as Profit for the year, as restated, attributable to the owners of the Company for the year divided by Average Net worth (average total equity). Average total equity means the average of the aggregate value of the paid-up share capital and other equity of the current and previous financial year.
- Return on capital employed is calculated as Earnings before interest and taxes divided by average capital employed (average capital employed calculated as average of the aggregate value of total equity, total debt of the current and previous financial year).
- Debt-equity ratio is calculated by dividing total debt by total equity. Total debt represents long term and short term borrowings. Total equity is the sum of equity share capital and other equity.
- Debt Service Coverage Ratio is calculated by dividing the sum of Profit after Tax and interest amount by sum of the repayment of loan and interest.

#### Explanation for the Key Performance Indicators

KPIs	Explanations
Revenue from operations (₹ in lakhs)	Revenue from Operations is used by our management to track the revenue profile of our business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Income (₹ in lakhs)	Total Income is used by our management to obtain a comprehensive view of all income including revenue from operations and other income.
Current Ratio	Current Ratio provides efficiency which current assets are managed by the Company.
EBITDA (₹ in lakhs)	EBITDA provides information regarding the operational efficiency of our business.
EBITDA Margin (in %)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Net Profit for the Year (₹ in lakhs)	Net Profit for the year provides information regarding the overall profitability of our business.
Net Profit Margin (in %)	Net Profit Margin is an indicator of the overall profitability and financial performance of our business.
Return on Net Worth (in %)	Return on Net Worth provides how efficiently our Company generates profits from shareholders' funds.
Return on Capital Employed (in %)	Return on Capital Employed provides how efficiently our Company generates earnings from the capital employed in our business.
Debt-Equity Ratio	Debt-equity ratio is a gearing ratio which compares shareholder's equity to company debt to assess our company's amount of leverage and financial stability.
Debt Service Coverage Ratio	Debt Service Coverage Ratio indicated how much cash flow is available against the liability of the Company for repayment of Debt and interest.

As certified by our Statutory Auditors vide certificate dated March 2, 2024.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

#### Comparison of key performance indicators with Peer Group Companies

No.	Key Performance Indicators	SRM Contractors Limited	Man Infraconstruction Limited	ITD cementation India Limited*	Likhitha Infrastructure Infra Limited	Udayshivakumar Infra Limited
1.	Total Income	30,029.08	68,096.76	470,058.03	35,661.52	28,790.71
2.	Current Ratio	1.05	3.87	1.00	1.59	1.62
3.	Debt-Equity Ratio	0.75	0.01	0.60	0.18	0.31
4.	EBITDA	3,865.68	22,006.55	44,583.48	8,501.48	4,277.12
5.	Operating EBITDA Margin	12.87	24.98	9.48	23.71	14.86
6.	Net Profit	1,874.62	15,596.86	12,424.62	6,004.37	1,604.72
7.	Net Profit Margin	6.24	20.81	2.70	0.17	5.59
8.	Return on Equity	35.48	15.51	10.49	0.27	15.55
9.	Return on Capital Employed	35.41	18.60	18.71	0.35	13.65

Source: Annual Reports of the respective companies / www.sevidia.com and www.nseindia.com

As certified by the Statutory Auditor vide their certificate dated September 25, 2023.

- Total income includes revenue from operation and other income.
- Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.
- Debt-equity ratio is calculated by dividing total debt by total equity. Total debt represents long term and short-term borrowings. Total equity is the sum of equity share capital and other equity.
- EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax (loss) for the year and adding back finance costs, depreciation, and amortization expense.
- EBITDA margin is calculated as EBITDA as a percentage of total income.
- Net Profit for the year represents the restated profits of our Company after deducting all expenses.
- Net Profit margin is calculated as restated profit & loss after tax for the year divided by total income.
- Return on net worth is calculated as Profit for the year, as restated, attributable to the owners of the Company for the year divided by net worth of the Company at the end of year.
- Return on capital employed is calculated as Earnings before interest and taxes divided by average capital employed (average capital employed calculated as average of the aggregate value of total equity, total debt of the current and previous financial year).

#### Weighted average cost of acquisition ("WACA")

The price per share of our Company based on the primary/new issue of shares

The details of the Equity shares excluding Shares issued under ESOP and issuance of Bonus Shares during the 18 months preceding the date of this prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transactions) and excluding employee stock options granted but not vested, in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuance") are as follows:

Date of allotment	No. of equity shares allotted	Face value per equity share* (in ₹)	Issue price per equity share (in ₹)*	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
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N.A.

(b) The price per share of our Company based on secondary sale/acquisitions of shares/equity convertible securities  
The price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on the secondary sale/acquisition of Equity Shares or convertible securities involving Promoter/ Promoter Group during the 18 months preceding the date of filing of this Prospectus, where the acquisition or sale is equivalent to more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days. There have been no secondary sale/acquisitions of Equity Shares or any convertible securities where our Promoters, members of our Promoter group or Shareholders (having the right to nominate directors) in the Board of Directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transactions) and excluding ESOPs granted but not vested, in a single transaction or multiple transactions combined together over a span of rolling 30 days.

#### (c) Weighted average cost of acquisition, floor price and cap price

Type of Transactions	WACA*	Floor Price (₹ 200)*	Cap Price (₹ 210)*
Weighted average cost of acquisition for last 18 months for primary/new issue of shares (equity convertible securities), excluding shares issued under ESOP 2018 and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transactions) and excluding employee stock options granted but not vested, in a single transaction or multiple transactions combined together over a span of rolling 30 days	N.A.	N.A.	N.A.
Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares (equity convertible securities), where our Promoters or Promoter Group entities or (shareholder(s)) having the right to nominate directors in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transactions) and excluding employee stock options granted but not vested, in a single transaction or multiple transactions combined together over a span of rolling 30 days	0.32	625 times	656.25 times

\*To be updated after finalization of issue price.

(D) Explanation for Issue Price / Cap Price being 210 price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in (c) above) along with our Company's key performance indicators and financial ratios for the Financial Years ended March 31, 2023, 2022 and 2021.

(E) Explanation for Issue Price / Cap Price being 210 price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in (c) above) along with our Company's key performance indicators and financial ratios for the Financial Years ended March 31, 2023, 2022 and 2021.

The Indian government is investing heavily in infrastructure development, including roads, railways, and metro systems. This is driving a demand for new tunnels to connect different parts of the country and improve transportation efficiency. (Source: D&B Report)

In its Union Budget FY 2023, the Government has increased the capital expenditure by 35% to nearly INR 7.5 lakh crore which indicates the strong Government focus on improving the overall infrastructure landscape in India. (Source: D&B Report)

As Union Territory of Jammu and Kashmir has been rapidly emerging as one of the fastest-developing economies in the country, the Indian Government, recognizing the significance of infrastructure development in the region and particularly in border regions, has initiated and are coming up with various infrastructure development projects. (Source: D&B Report)

When compared state-wise in terms of upcoming tunnels, Jammu & Kashmir is the leader with around 200 tunnels upcoming, followed by Maharashtra (around 140 tunnels), Himachal Pradesh (more than 100 tunnels), Andhra Pradesh (around 90 tunnels) and Andhra Pradesh (around 80 tunnels). (Source: D&B Report)

We have a proven track record of successful execution of road, tunnel projects and slope stabilization work in the difficult terrain of Jammu and Kashmir and Ladakh. As on January 31, 2024, we have completed thirty-eight (38) projects having an aggregate contract value of ₹ 41,165.82 lakhs.

Our Company has emerged as a key player in infrastructure construction industry in the Union Territories of Jammu & Kashmir and Ladakh and has developed technical capabilities to execute projects in hilly/challenging terrain in the region. (Source: D&B Report). With a presence of over 14 years, we believe that we possess a competitive advantage as infrastructure player in the Union Territories of Jammu & Kashmir and Ladakh.

The significant growth of our business in the last three Financial Year has contributed significantly to our financial strength. Our Company had achieved revenue from operations of ₹ 30,029.08 lakhs in Financial Year 2023, ₹ 28,790.71 lakhs in Financial Year 2022 and ₹ 16,194.74 lakhs in Financial Year 2021, representing 13.91% year-on-year growth and 63.60% year-on-year growth in Financial Year 2023 and Financial Year 2022, respectively.

For further details, please see the chapter titled "BASIS FOR THE ISSUE PRICE" beginning on page 121 of the RHP.

Continued on next page.

The Price Band and Issue Price will be determined by our Company, in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and the qualitative and quantitative factors. The face value of the Equity Share is ₹10 per Equity Share and Issue Price is 20 times the face value at the lower end of the Price Band and 21 times the face value at the higher end of the Price Band.

Investors should refer to "Risk Factors", "Restated Financial Statements", "Management Discussion and Analysis of Financial Condition and Results of Operations" and "Our Business" (beginning on page 31, 252, 301 and 181 of the RHP respectively) to get an informed view before making an investment decision.

#### Qualitative factors

- Some of the qualitative factors and our strengths which form the basis for the Issue Price are:
  - Proven track record of efficient execution of roads, tunnels and slope stabilization works in the difficult terrain of union territory of Jammu and Kashmir.
  - Business model of selecting and clustering of our projects in the union territories of Jammu & Kashmir and Ladakh.
  - Continuous Focus on equipment ownership.
  - Strong financial performance.
  - In-house integrated model.
  - Experienced Promoters with strong management team.

For further information, see "Our Business - Our Strengths" on page 181 of the RHP.

#### Quantitative factors

Some of the quantitative factors which form the basis of computing the price, are as follows:

#### 1) Basic and Diluted Earnings Per Share ("EPS")

Financial Year ended	Weights	Basic EPS (in ₹)	Diluted EPS (in ₹)
March 31, 2021	1	40.08	40.08
March 31, 2022	2	85.11	85.11
March 31, 2023	3	90.82	90.82
<b>Weighted Average EPS</b>	<b>6</b>	<b>80.46</b>	<b>80.46</b>
For nine months ended December 31, 2023		12.58	12.58

#### Notes:

- Basic EPS = Restated profit for the year attributable to equity holders of the Company divided by Weighted average number of equity shares outstanding during the year.
- Diluted EPS = Restated profit for the year attributable to equity holders of the Company divided by Weighted average number of dilutive equity shares outstanding during the year.
- Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / (Total of weights).
- The basic and diluted earnings per share for the Equity Shares of our Company has been presented to reflect the adjustments of bonus shares issued during the Financial Year 2022-23 on March 18, 2023 in accordance with IndAS 33-Earnings per share.
- The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Financial Statement.

#### 2) Price to Earnings (P/E) ratio in relation to Price Band of ₹200 to ₹210 per Equity Share of ₹10 each fully paid up

Particulars	P/E at the lower end of the Price Band (no. of times)*	P/E at the higher end of the Price Band (no. of times)*
Based on Basic EPS for year ended March 31, 2023	2.20	2.31
Based on weighted Average Basic and diluted EPS as at the end of the Financial Year	2.49	2.61

\*Will be included in the Prospectus.

#### Industry Peer Group P/E ratio

Particulars	Industry P/E
Highest	46.87
Lowest	17.42
Industry Average	32.15

Source: The industry high and low has been considered from the industry peer set provided later in this section. The industry average has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.

As certified by our Statutory Auditor vide certificate dated September 25, 2023.

#### 3) Return on Net Worth ("RoNW")

Return on Net Worth (RoNW) as per restated financial statements (Consolidated)

Financial Year Ended	RoNW (%)	Weight
March 31, 2021	30.81	1
March 31, 2022	39.85	2
March 31, 2023	29.68	3
<b>Weighted Average</b>	<b>28.21%</b>	
For nine months ended December 31, 2023	26.02	

Note: Return on Net Worth has been calculated as per the following formula:

Return on Net Worth (%) = Net Profit after tax, as restated / Net worth, as restated, as at year end.

2) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year / Total of weights.

#### 4) Net Asset Value per Equity Share ("NAV")

Net Asset Value per equity share (in ₹)	(in ₹)
As at March 31, 2023	37.72
For nine months ended December 31, 2023	50.31
After the completion of the Issue:	
a) At Floor Price	200
b) At Cap price	210
Issue Price	(*)

#### Notes:

a) Net Asset Value per equity share represents net worth attributable to Equity Shareholder (Equity Share capital together with other equity as per Restated Financial Information) as at the end of the financial year divided by the number of Equity Shares outstanding at the end of the year.

b) Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

#### 5) Comparison with industry peers

We believe following is our peer group which has been determined on the basis of listed public companies comparable in the similar line of segments in which our Company operates and whose business segment in part of full may be comparable with that of our business, however, the same may not be exactly comparable in size or business portfolio on a whole with that of our business. Following is the comparison with our peer companies listed in India:

Companies	CMP*	EPS (Basic) (₹)	EPS (Diluted) (₹)	PE Ratio	RoNW (%)	NAV (Per Share)	Face Value	Total Income (₹ in Lakhs)
SRM Contractors Limited	100	90.82	90.82	1.10	30.14	37.72	10	30,065.08

#### Listed peers

Man Infraconstruction Limited	209.50	4.47	4.47	46.87	14.61	30.60	2	88,096.76
ITD cementation India Limited	336.60	7.23	7.23	46.56	10.04	72.04	1	470,058.03
Likhitha Infrastructure Limited	265.20	15.22	15.22	17.42	24.01	63.39	5	35,661.52
Udayshivakumar Infra Ltd	61.38	2.90	2.90	21.17	11.13	26.05	10	28,790.71

Source: All the financial information for listed industry peers mentioned above is on a Standalone basis and is sourced from the annual results as available of the respective company for the year ended March 31, 2023 as available on the website of stock exchanges. The financial information of our Company is based on the restated Consolidated financial information for the year ended March 31, 2023.

#### Notes:

- PE Ratio has been computed based on the closing market price of equity shares on BSE on March 2, 2024, divided by the Diluted EPS.
- Return on net worth is calculated as Net Profit after tax, as restated, attributable to the owners of the Company for the year divided by Net worth of the Company.
- Net Asset Value per equity share represents net worth attributable to Equity Shareholder (Equity Share capital together with other equity as per Restated Financial Information) as at the end of the financial year divided by the number of Equity Shares outstanding at the end of the year.
- The basic and diluted earnings per share for the Equity Shares of our Company has been presented to reflect the adjustments of bonus shares issued during the financial year ended March 31, 2023 in accordance with IndAS 33-Earnings per share.
- Considering the nature and size of the business of our Company, the peer companies are not strictly comparable. However, above company is included for broad comparison.
- CMP of the peer group as on March 02, 2024 is as per the closing price as available on www.bseindia.com.
- PE Ratio for the peer has been computed based on the closing market price of respective equity shares as on March 02, 2024 sourced from website of Stock Exchange as divided by the Basic/Diluted EPS as applicable.

#### Key Performance Indicators ("KPIs")

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. The key financial and operational metrics set forth above have been approved and verified by the Audit Committee pursuant to its resolution dated March 2, 2024. Further, the Audit Committee has on March 2, 2024 taken on record that other than the key financial and operational metrics set out below, our Company has not disclosed any other key performance indicators during the three years preceding this Red Herring Prospectus with its investors. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Issue Price have been disclosed below. Additionally, the KPIs have been certified by way of certificate dated March 02, 2024 issued by our Statutory Auditor, who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to make an assessment of our Company's performances and make an informed decision.

A list of our KPIs for the nine (9) months ending December 31, 2023, Financial Years ended March 31, 2023, 2022 and 2021 is set out below:

Parameter	As on December 31, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Total Income	24,455.03	30,065.09	26,550.88	16,194.74
Total revenue from operations (in ₹)	24,427.63	30,029.08	26,381.14	16,005.89
Current Ratio	2.16	2.05	1.56	1.23
EBITDA	3,724.03	3,865.67	3,201.28	1,832.82
EBITDA Margin (in %)	15.88%	12.87%	12.14%	11.45%
Net Profit for the Year	2,107.11	1,874.62	1,756.77	827.28
Net Profit Margin (in %)	8.98	6.24%	6.66%	5.17%
Return on Net Worth (in %)	25.02	34.85%	49.30%	36.43%
Return on Capital Employed (in %)	29.43	35.04%	42.18%	31.17%
Debt-Equity Ratio	0.50	0.75	0.71	1.19
Debt Service Coverage Ratio	3.13	3.26	3.25	3.68

As certified by our Statutory Auditors vide certificate dated March 2, 2024.



