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SRM CONTRACTORS LIMITED

Our Company was incorporated on September 4, 2018 as SRM Contractors Private Limited, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated September 4, 2018 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 26, 2023 and the name of our Company was changed from "SRM Contractors Private Limited" to "SRM Contractors Limited", pursuant to a resolution passed by the shareholders of our Company at the extraordinary general meeting held on 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 118 of the Prospectus dated March 26, 2024 filed with the RoC ("Prospectus").

Registered Office: Sector 3, Near B.P. Head Office, Tilika Nagar, Jammu - 190012, Jammu and Kashmir, India. Contact Person: San Mehta, Company Secretary and Compliance Officer. Tel: +91 84618 77114 / +91 191 2427229. Email: co@srmlpl.com. Website: www.srmlpl.com

THE COMMENCEMENT OF TRADING OF THE EQUITY SHARES OF OUR COMPANY ON THE STOCK EXCHANGES SHALL BE WITH EFFECT FROM WEDNESDAY, APRIL 03, 2024. OUR COMPANY HAS VOLUNTARILY DECIDED FOR LISTING ON T+3 DAY (T BEING THE ISSUE CLOSING DATE) IN TERMS OF THE TIMELINES PRESCRIBED UNDER THE SEBI CIRCULAR NO. SEBI/HO/CFD/TPD1/CIR/P/2023/140 DATED AUGUST 09, 2023.

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

Our Company has filed the Prospectus dated March 29, 2024 with the RoC, and the Equity Shares are proposed to be listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (and together the "Stock Exchanges") and trading is expected to commence on April 03, 2024.

BASIS OF ALLOTMENT

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 ₹210 PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹200 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹13020.00 LAKHS ("THE ISSUE"), THE ISSUE WILL CONSTITUTE 27.82% OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL.

ANCHOR INVESTOR ISSUE PRICE: ₹210 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH

ISSUE PRICE: ₹210 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH

THE ISSUE PRICE IS 21 TIMES OF THE FACE VALUE

RISKS TO INVESTORS:

- 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.
- 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 (JKRDA), 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.
- 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%	21,516.48	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%	14,567.40	91.20%

- 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.

- 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	62.67	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%	8,390.25	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%

- 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

- 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 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.

- 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

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

- 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	658.25 times

BID / ISSUE PERIOD:

ANCHOR INVESTOR BID/ISSUE PERIOD OPENED AND CLOSED ON FRIDAY, MARCH 22, 2024

BID / ISSUE OPENED ON TUESDAY MARCH 26, 2024 | BID / ISSUE CLOSED ON THURSDAY MARCH 28, 2024

This Issue is being made in terms of Rule 192(b) of the SEBI ICDR Regulations. The issue is being made for a net of 27% of the post-issue paid-up Equity Share capital of our Company. This issue is being made through the Book Building Process in accordance with Regulation 61 of the SEBI ICDR Regulations wherein not more than 50% of the issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIB") and such portion the "QIB Portion", provided that our Company in consultation with the BRLM may allocate up to 65% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations ("Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, should the NET QIB Portion (including the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the NET QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid bids being received at or above the Issue Price. Further, not less than 5% of the NET Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders out of which (a) one-third of such portion shall be reserved for applications with application size of more than ₹20 lakhs and up to ₹10.00 lakhs and (b) the third of such portion shall be reserved for applicants with application size of more than ₹1.00 lakhs, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 5% of the NET Issue shall be available for allocation to Retail Individual Bidders ("RIB") in accordance with the SEBI ICDR Regulations subject to valid bids being received at or above the Issue Price. All Potential Bidders, other than Anchor Investors, are required to participate in the issuance by mandatorily utilizing the Application Through "Block Lottery" ("ATLA") process by providing details of their respective ASBA Accounts (as defined hereinafter) and IPI ID in case of IPI Bidders using the IPI Mechanism, as applicable, pursuant to which their corresponding Bid Amounts will be locked by the Self-Certified Syndicate Banks ("SCSBs") or by the Sponsor Banks under the IPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the issue through the ATLA process. For details, see "Issue Procedure" on page 362 of the Prospectus.

The bidding for Anchor Investor opened and closed on March 22, 2024. The Company received 3 applications from 3 Anchor Investors for 16,59,500 Equity Shares. The Anchor Investor Issue Price was finalized at ₹210 per Equity Share. A total of 16,59,500 Equity Shares were allocated under the Anchor Investor Portion aggregating to ₹3,48,495,000.

The issue received 1283225 applications for 27302710 Equity Shares resulting in 61.05 times subscription as disclosed in the Prospectus. The details of the applications received in the issue from Retail Individual Bidders, Non-Institutional Bidders and QIBs are as under (before technical rejection):

S. NO.	CATEGORY	NO. OF APPLICATIONS APPLIED	NO. OF EQUITY SHARES	EQUITY SHARES RESERVED AS PER PROSPECTUS	NO. OF TIMES SUBSCRIBED	AMOUNT (₹)
A	Retail Individual Bidders	1203225	10284380	2170000	45.85	455760000.00
B	Non-Institutional Bidders - More than 70.76 million and up to ₹1 million	57668	5403990	330000	23.55	651300000.00
C	Non-Institutional Bidders - More than ₹1 million	21601	13776970	600000	220.69	1320600000.00
D	Qualified Institutional Bidders (including Anchor Investors)	43	7225600	1640100	59.27	2604270000.00
E	Anchor Investors	3	1659500	1659500	1.00	3005760000.00
Total		1283225	37453170	6200000		

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Final Demand
A summary of the final demand for NSE and BSE as on the Bid/Ask Closing Date at different bid prices as under

Allocation to Non-Institutional Bidders (more than Rs.20 million and upto Rs.100 million) (After Technical Rejections) (Including ASBA Applications)
The Basis of Allocation was finalized in consultation with the Designated Stock Exchange, BSE/NSX on April 01, 2024.

Allocation to Non-Institutional Bidders (more than Rs.20 million and upto Rs.100 million) (After Technical Rejections) (Including ASBA Applications)
The Basis of Allocation was finalized in consultation with the Designated Stock Exchange, BSE/NSX on April 01, 2024.

Allocation to Non-Institutional Bidders (more than Rs.100 million) (After Technical Rejections) (Including ASBA Applications)
The Basis of Allocation was finalized in consultation with the Designated Stock Exchange, BSE/NSX on April 01, 2024.

Table with columns: Sr. No., Category, No. of Applications Received, % of Total, Total No. of Equity Shares Applied, % to Total, No. of Equity Shares Allotted per Bidder, Ratio, Total No. of Equity Shares Allotted. Includes sections for Allocation to Anchor Investors, Allocation to QIBs, and Allocation to Other Bidders.