



# IPO INSIGHTS



## SRM Contractors Limited

**Issue Dates - Opens: 26-03-2024 | Closes: 28-03-2024**

<b>IPO Note</b>	<ol style="list-style-type: none"> <li>SRM Contractors Limited is a construction and development company primarily engaged in the construction of roads (including bridges), tunnels, slope stabilization works, and other construction activities in the Union Territories of Jammu and Kashmir and Ladakh.</li> <li>The Company operates as an EPC contractor and on a unit-price basis for infrastructure projects and subcontracts infrastructure construction projects.</li> </ol>
<b>Rating</b>	★★★ (Good)

## IPO SNAPSHOT

Issue Size	₹ 130.20 Crores
Issue Type	Book Built Issue IPO
Fresh Issue	₹ 130.20 Crores
Offer for Sale	-
Face Value Per Share	₹ 10
Price Band Per Share	₹200 to ₹210
Minimum Lot Size	70 shares
Listing On	BSE, NSE
Registrar to the Issue	Bigshare Services Pvt Ltd

# IPO SNAPSHOT – SRM Contractors Limited

## About the Company

- Incorporated in 2008
- The Company is an engineering construction and development company engaged primarily in the construction of roads (including bridges), tunnels, slope stabilisation works and other miscellaneous civil construction activities in the Union Territories of Jammu & Kashmir and Ladakh.
- The Company undertake construction works both as an EPC contractor and on an item rate basis for infrastructure projects. They also undertakes sub-contracting assignments of infrastructure construction projects.
- The Company have a track record of successful execution of road, tunnel and slope stabilization projects in the difficult terrain of union territories of Jammu & Kashmir and Ladakh and thus they believe that they have developed the expertise and know-how to undertake infrastructure construction projects in difficult terrains.
- The Company undertake contracts independently or whenever required, through their project-specific joint ventures with other infrastructure and construction entities when a project requires us to meet specific eligibility requirements in relation to certain large projects, including requirements relating to particular types of experience.
- The Company operates as an EPC contractor and on a unit-price basis for infrastructure projects and subcontracts infrastructure construction projects.
- The 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.

## Competitive Strengths

- Proven track record of efficient execution of roads, tunnels and slope stabilisation 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 and strong financial performance.
- In-house integrated model
- Experienced Promoters with strong management team

## Financials (₹ in Crores)

Particulars	31-3-2021	31-3-2022	31-03-2023	Y-o-Y
Revenue	160.06	263.61	300.29	14%
EBITDA	16.44	30.12	38.29	27%
EBITDA Margin	10.3%	11.4%	12.8%	
PAT	8.27	17.57	18.74	7%
PAT Margin	5.2%	6.7%	6.2%	

## Valuation

- Attributing Annualized FY23 Earnings asking P/E = 18.75

## Peers

Company Name	P/E ratio
Man Infraconstruction limited	44.19
ITD cementation India limited	41.81
Likhitha Infrastructure limited	16.31
Udayshivakumar Infrastructure limited	16.29

Note : P/E ratio is calculated as closing share price as on 20th March,2024.

## Promoters

- Sanjay Mehta
- Ashley Mehta
- Puneet Pal Singh

## Objects of the issue

- Funding capital expenditure requirements for the purchase of equipment/machinery.
- Full or part repayment and/or prepayment of certain outstanding secured borrowings availed by the company and funding the working capital requirements of the company.
- Investment in Project Specific Joint Venture Projects and General Corporate purposes

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