(Please scan this QR Code to view this Draft Red Herring Prospectus)

DRAFT RED HERRING PROSPECTUS
Dated September 29, 2023
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Issue

SRM CONTRACTORS LIMITED

Corporate Identity Number: U45400JK2008PLC002933

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Sector 3, Near BJP Head Office, Trikuta Nagar, Jammu - 180012, Jammu and Kashmir, India	Arun Mathur *Company Secretary and Compliance Officer*	**E-mail**: cs@srmcpl.com **Tel**: +91 84918 77114 / + 0191 2472729	www.srmcpl.com

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

DETAILS OF THE PUBLIC ISSUE

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Fresh Issue of up to 62,00,000 Equity Shares aggregating up to ₹[●] lakhs	Not Applicable	Up to ₹[●] lakhs	This Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For details in relation to share reservation amongst Qualified Institutional Buyers, Non-Institutional Bidders and Retail Individual Bidders, see "***Issue Structure***" on page 317.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Issue Price (as determined by our Company, in consultation with the BRLM, in accordance with the SEBI ICDR Regulations) and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "***Basis for the Issue Price***" on page 105, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page 32.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on BSE Limited ("**BSE")** and the National Stock Exchange of India Limited **("NSE")**. For the purpose of the Issue, BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER

Name of Book Running Lead Manager and Logo	Contact Person	Telephone and Email
Interactive Financial Services Limited	Jaini Jain	**Telephone**: +91 079-46019796 **Mobile**: 9898055647 **E-mail**: mbd@ifinservices.in

REGISTRAR TO THE ISSUE

Name of Registrar	Contact Person	Telephone and Email
Bigshare Services Private Limited	Babu Rapheal C.	**Tel**: +91 22-6263 8200 **E-mail**: ipo@bigshareonline.com

BID/ ISSUE PERIOD

ANCHOR INVESTOR BID/ ISSUE PERIOD	[●]*	BID/ ISSUE OPENS ON	[●]**	BID/ ISSUE CLOSES ON	[●]**#

** 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 UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

DRAFT RED HERRING PROSPECTUS
Dated September 29, 2023
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Issue

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 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 195

Corporate Identity Number: U45400JK2008PLC002933
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

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.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (A WIDELY CIRCULATED URDU DAILY NEWSPAPER, URDU BEING THE REGIONAL LANGUAGE OF UNION TERRITORY OF JAMMU AND KASHMIR, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE, AND SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

In case of any revision in the Price Band, the Bid/ Issue Period will be extended by at least 3 (three) additional Working Days after such revision in the Price Band, subject to the Bid/ Issue Period not exceeding 10 (ten) Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of 3 (three) Working Days, subject to the Bid/ Issue Period not exceeding 10 (ten) Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

This Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Issue is being made for at least 25% 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 6(1) 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 ("**QIBs**" and such portion the "**QIB Portion**"), provided that our Company in consultation with the BRLM may allocate up to 60% 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. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the 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 applicants with application size of more than ₹2.00 lakhs and up to ₹ 10.00 lakhs and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹10.00 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 35% of the Issue shall be available for allocation to Retail Individual Bidders 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 Issue by mandatorily utilising the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Banks under the UPI 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 ASBA process. For details, see "***Issue Procedure***" on page 321.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 each. The Issue Price, Floor Price, Cap Price and Price Band (as determined by our Company in consultation with the Book Running Lead Manager) in accordance with SEBI ICDR Regulations by way of the Book Building Process, as stated in ''***Basis for Issue Price''*** on page 105should not be considered to be indication of the market price of the Equity Shares after the Equity Shares listed should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issuer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page 32.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters each dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be BSE. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date, see "***Material Contracts and Documents for Inspection***" on page 381.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
Interactive Financial Services Limited 612, 6th Floor, Shree Balaji Heights Kokilaben Vyas Marg, Ellisbridge Ahmedabad – 380009, Gujarat India **Tel**: +91 079-46019796 / 98980 55647 **Email:** mbd@ifinservices.in **Investor Grievance Email:** info@ifinservices.in **Website**: www.ifinservices.in **Contact Person:** Jaini Jain **SEBI Registration No**: INM000012856	**Bigshare Services Private Limited** Office No. S6-2, 6th Floor Pinnacle Business Park, Next to Ahura Center Mahakali Caves Road, Andheri East Mumbai-400093 **Tel:** +91 22-6263 8200 **Contact Person:** Babu Rapheal C. **Website:** www.bigshareonline.com **E-mail:** ipo@bigshareonline.com **SEBI Registration No.:** INR000001385 **Investor Grievance E-mail:** investor@bigshareonline.com

BID / ISSUE PROGRAMME

BID / ISSUE OPENS ON	[●]*
BID / ISSUE CLOSES ON	[●]**#

**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 UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, Act, regulation, rules, guidelines or our Articles of Association, Memorandum of Association, policies shall be to such legislation, Act or regulation, as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Further, the Issue related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document (as defined below). In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.

*Notwithstanding the foregoing, terms used in "**Basis for Issue Price**", "**Statement of Possible Special Tax Benefits**", "**Industry Overview**", "**Our Business**", "**Key Regulations and Policies in India**", "**Restated Consolidated Financial Statement**", "**Outstanding Litigations and Material Developments**"* and "***Description of Equity Shares and Terms of Articles of Association***" *on pages 105, 112, 115, 162, 187, 225, 283 and 342 respectively, shall have the meaning ascribed to such terms in those respective sections.*

General Terms

Term	Description
"Company" or "our Company" or "the Company" or "the Issuer" or "we" or "us" or "our"	Unless the context otherwise indicates or implies, refers to SRM Contractors Limited, a public limited company incorporated under the provision of Companies Act, 1956, having its registered office at Sector 3, Near BJP Head Office, Trikuta Nagar, Jammu - 180012, Jammu and Kashmir, India. However, for the purpose of the Restated Consolidated Financial Statements, all references to such terms includes our Company, our Subsidiaries and our Joint Ventures, which existed as at Fiscal 2023, 2022 and 2021.
"you", "your" or "yours"	Prospective Investors/Bidder in this Issue.

Company Related Terms

Term	Description
"Articles of Association" or "AoA"	Articles of association of our Company, as amended from time to time.
"Audit Committee"	The Audit Committee of our Board, as described in "***Our Management – Board Committees – Audit Committee***" on page 211 and 212.
"Auditors" or "Statutory Auditors"	Statutory auditors of our Company, namely, Satyendra Mrinal and Associates, Chartered Accountants.
"Board or "Board of Directors" or "our Board"	The Board of Directors of our Company unless otherwise specified or any committee constituted thereof.
"Chief Financial Officer" or "CFO"	The Chief Financial Officer of our Company, being Krishan Singh.
"Company Secretary and Compliance Officer"	The Company Secretary and Compliance Officer of our Company, being Arun Mathur.
"Corporate Social Responsibility Committee" or "CSR Committee"	Corporate Social Responsibility committee of our Board, as described in "***Our Management – Board Committees - Corporate Social Responsibility Committee***" on page 214.

Term	Description
"D&B Report"	The Industry Report titled "***Industry Report on Roads & Tunnels Infrastructure in India - Additional Focus on Union Territory of Jammu & Kashmir and Ladakh***" dated September, 28 2023 prepared and issued by Dun & Bradstreet Information Services India Private Limited ("**D&B India**"), appointed by us on August 6, 2023, and exclusively commissioned and paid for by us in connection with the Issue.
"Director(s)"	The directors on our Board. For details see, "***Our Management***" on page 204.
"Equity Shares"	The equity shares of our Company of face value of ₹10 each, unless otherwise specified in the context thereof.
"Executive Director" or "Whole-Time Director"	The Whole-Time Director of our Company, being Puneet Pal Singh.
"Independent Director(s)"	Independent Directors on our Board, who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see "***Our Management***" on page 204.
"ISIN"	International Securities Identification Number, being INE0R6Z01013.
"Joint Venture(s)" or "Project Specific Joint Ventures"	For the purpose of the Restated Consolidated Financial Statements, all references to the term Joint Ventures, until cessation, includes ECI Engineers and SRM Projects (JV), Kapahi SRM Projects (JV), and SRM-Rajinder Projects (JV).
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in "***Our Management – Key Managerial Personnel and Senior Management***" on page 216.
"KPIs"	Key Performance Indicators
"Managing Director" or "MD"	The managing director of our Company, being Sanjay Mehta.
"Materiality Policy"	The policy adopted by our Board pursuant to its resolution dated August 29, 2023 for identification of: (a) material outstanding litigations; and (b) material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations.
"MOA" or "Memorandum" or "Memorandum of Association" or "MoA"	The Memorandum of Association of our Company, as amended from time to time.
"Nomination and Remuneration Committee"	The nomination and remuneration committee of our Board, as described in "***Our Management – Board Committees***" on page 211.
"Non-Executive Director(s)"	A Director not being an Executive Director of the Company, being Ashley Mehta. For details of the Non-Executive Directors, see "***Our Management***" on page 204.
"Promoter(s)"	The Promoters of our Company, being Sanjay Mehta, Ashley Mehta and Puneet Pal Singh.
"Promoter Group"	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "***Our Promoters and Promoter Group***" on page 220.
"Registered Office"	The registered office of our Company, situated at Sector 3, Near BJP Head Office, Trikuta Nagar, Jammu - 180012, Jammu and Kashmir, India.
"Registrar of Companies" or "RoC"	Registrar of Companies, Jammu.
"Restated Consolidated Financial Statements" or "Restated Consolidated Financial Information" or "Restated Financial Information" or "Restated Financial Statement"	The restated consolidated financial statements of our Company, its Subsidiaries, its Associates and Joint Ventures comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022, March 31, 2021, the restated consolidated statements of Profit and Loss (including other comprehensive income), the restated consolidated statement of changes in Equity, the Restated Consolidated Cash Flow

Term	Description
	Statement for the years ended March 31, 2023, March 31, 2022, March 31, 2021, and the Summary Statement of Significant Accounting Policies, and other explanatory information prepared in terms of the requirements of sub-Section (1) of Section 26 of Part I of Chapter III of the Act; the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, as amended from time to time. For details, see "***Restated Consolidated Financial Statements***" on page 225.
"Senior Management Personnel" or "SMPs"	Senior Management Personnel of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in "***Our Management – Key Managerial Personnel and Senior Management***" on page 216.
"Shareholders" or "members"	The equity shareholders of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares.
"Stakeholders' Relationship Committee"	The stakeholders' relationship committee of our Board, as described in "***Our Management – Board Committees***" on page 211.
"Subsidiary(ies)"	Collectively, Loran Valley Power Projects Private Limited and SP Mangal Murti Enterprises Private Limited.
"Whole-time Director(s)"	Whole-time director(s) of our Company, as described in "***Our Management***" on page 204.

Issue Related Terms

Term	Description
"Abridged Prospectus"	Abridged Prospectus means a memorandum containing salient features of a prospectus as may be specified by the SEBI in this behalf.
"Acknowledgement Slip"	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form.
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
"Allotment Advice"	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
"Allottee"	A successful Bidder to whom the Equity Shares are Allotted.
"Anchor Investor"	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion with a minimum Bid of ₹1,000 lakhs in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus.
"Anchor Escrow Account(s)" or "Escrow Account(s)"	Account opened with Anchor Escrow Bank for the Issue and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS in respect of the Bid Amount when submitting a Bid.
"Anchor Investor Allocation Price"	The price at which the Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company, in consultation with the BRLM, during the Anchor Investor Bidding Date.
"Anchor Investor Application Form"	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus.
"Anchor Investor Bid/Issue Period" or "Anchor Investor Bidding Date"	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor Investors, and

Term	Description
	allocation to Anchor Investors shall be completed.
"Anchor Investor Issue Price"	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the BRLM.
"Anchor Investor Pay-in Date"	With respect to the Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, a date not later than 2 (two) Working Days after the Bid/ Issue Closing Date.
"Anchor Investor Portion"	Up to 60% of the QIB Portion, which may be allocated by our Company in consultation with the BRLM, to the Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
"Application Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid by authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using UPI, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism.
"ASBA Account"	A bank account maintained with an SCSB and specified in the Bid cum Application Form which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by a Bidder (other than a Bid by an Anchor Investor) and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked upon acceptance of a UPI Mandate Request made by UPI Bidders using the UPI Mechanism.
"ASBA Bid"	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
"ASBA Bidders"	All Bidders except Anchor Investors.
"ASBA Form"	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
"Banker(s) to the Issue"	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Issue Account Bank(s) and Sponsor Bank.
"Basis of Allotment"	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue, as described in "***Issue Procedure***" on page 321.
"Bid"	An indication to make an offer during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly.
"Bid Amount"	The highest value of the optional Bids as indicated in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Issue.
"Bid cum Application Form"	The form in terms of which the Bidder shall make a Bid and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus, including ASBA Form.
"Bid Lot"	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.

Term	Description
"Bid/Issue Closing Date"	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be notified in all editions of English national daily newspaper, [●], Hindi national daily newspaper, [●] and a Urdu regional daily newspaper (Urdu being the regional language of Jammu, where our Registered Office is located). In case of any revisions, the extended Bid/Issue Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank. Our Company, in consultation with the Book Running Lead Manager, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.
"Bid/Issue Opening Date"	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●] which shall be notified in all editions of English national daily newspaper, [●], in all editions of Hindi national daily newspaper [●], and in all editions of Urdu regional daily newspaper [●] (Urdu being the regional language of Union Territory of Jammu & Kashmir, where our Registered Office is located). In case of any revision, the extended Bid/Issue Opening Date will also be widely disseminated by notification the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s).
"Bid/Issue Period"	Except in relation to the Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations, provided that such period shall be kept open for a minimum of 3 (three) Working Days. Our Company, in consultation with the BRLM, may consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.
"Bidder" or "Investor" or "Applicant"	Any prospective investor who made a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied and includes an Anchor Investor.
"Bidding Centers"	Centers at which the Designated Intermediaries accepted the Bid cum Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs.
"Book Building Process"	The book building process as described in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
"Book Running Lead Manager" or "BRLM"	The book running lead manager to the Issue, being Interactive Financial Services Limited, SEBI registered Category-I Merchant Banker.
"Broker Centers"	Broker centers of the Registered Brokers, where Bidders (other than Anchor Investors) submitted the ASBA Forms. The details of such Broker centers, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com.

Term	Description
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Issue Period.
"Cap Price"	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall not be more than 120% of the Floor Price.
"Cash Escrow and Sponsor Bank Agreement"	Agreement dated [●] entered into by our Company, the Registrar to the Issue, the BRLM, the Syndicate Member, and the Bankers to the Issue for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refund of the amounts collected from Bidders, on the terms and conditions thereof, in accordance with the UPI Circulars.
"Client ID"	Client identification number maintained with one of the Depositories in relation to dematerialised account.
"Collecting Depository Participant" or "CDP"	A depository participant, as defined under the Depositories Act, 1996 and registered under Section 12 (1A) of the SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of SEBI circular no. CIR /CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars and as per the list available on the websites of BSE and NSE.
"Controlling Branches"	Such branches of SCSBs which coordinate Bids under the Issue with the BRLM, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in.
"Cut-off Price"	Issue Price, authorized by our Company, in consultation with the BRLM which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
"Demographic Details"	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, wherever applicable.
"Depository(ies)"	A depository registered with SEBI under the SEBI (Depositories and Participants') Regulations, 1996.
"Depository Participant" or "DP"	A depository participant as defined under the Depositories Act.
"Designated CDP Locations"	Such locations of the CDPs where Bidders submitted the ASBA Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
"Designated Date"	The date on which the Escrow Collection Banks transfer funds from the Escrow Accounts to the Public Issue Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, where made available, instruction issued through the Sponsor Banks) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue.
"Designated Intermediary(ies)"	In relation to ASBA Forms submitted by RIIs and NIIs with an application size of upto ₹5.00 lakhs (not using the UPI Mechanism) authorizing an SCSB

Term	Description
	to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIIs (not using the UPI Mechanism), Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and CRTAs.
"Designated RTA Locations"	Such locations of the CRTAs/RTAs where Bidders can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"Designated SCSB Branches"	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
"Designated Stock Exchange"	BSE Limited
"DP ID"	DP ID Depository Participant's identity number.
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated September 29, 2023, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto.
"Eligible FPIs"	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices.
"Eligible NRI(s)"	A non-resident Indian, under Schedule 3 and Schedule 4 of the FEMA Non-Debt Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
"Escrow Account(s)"	Account opened with the Escrow Collection Bank and in whose favor the Anchor Investors transferred money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid.
"Escrow Collection Bank(s)" or "Anchor Escrow Bank"	Banks which are clearing members and registered with SEBI as bankers to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Accounts will be opened, in this case being [●].
"First or Sole Bidder"	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
"Floor Price"	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares.
"Fraudulent Borrower"	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
"Fugitive Economic Offender"	An individual who is declared a fugitive economic offender under Section 12

Term	Description
	of the Fugitive Economic Offenders Act, 2018.
"General Information Document"	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM.
"Issue"	The initial public offering of up to 62,00,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each, aggregating up to ₹ [●] lakh.
"Issue Agreement"	Agreement dated September 27, 2023 entered between our Company and the BRLM, pursuant to which certain arrangements have been agreed to in relation to the Issue.
"Issue Price"	The final price at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of this Draft Red Herring Prospectus. The Issue Price will be decided by our Company, in consultation with the BRLM on the Pricing Date, in accordance with the Book Building Process and in terms of this Draft Red Herring Prospectus.
"Issue Proceeds"	The proceeds of the Issue, which shall be available to our Company. For details about use of the Issue Proceeds, see "***Objects of the Issue***" on page 89.
"Mobile Applications"	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmI d=43 or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism.
"Mutual Fund Portion"	5% of the Net QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
"Mutual Funds"	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
"Net Proceeds"	Proceeds of the Issue less the Issue related expenses. For further details about use of the Issuer Proceeds and the Issue related expenses, see "***Objects of the Issue***" on page 89.
"Net QIB Portion"	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
"Non-Institutional Portion"	The portion of the Net Issue being not more than 15% of the Net Issue consisting of [●]* Equity Shares, available for allocation to Non-Institutional Bidders, on a proportionate basis. The allocation to each Non-Institutional Investor shall not be less than ₹ 2.00 lakh subject to availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis, subject to valid Bids being received at or above the Issue Price, in accordance with the SEBI ICDR Regulations. Further, (a) one third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹2.00 lakh and up to ₹10.00 lakh; and (b) two third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹10.00 lakh, provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Investors. **Subject to finalization of Basis of Allotment*
"Non-Institutional Investors" or "Non-Institutional Bidders" or	All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with the SEBI that are not QIBs (including Anchor

Term	Description
"NIIs" or "NIBs"	Investors) or Retail Individual Investors, who have Bid for Equity Shares for an amount of more than 2.00 lakh (but not including NRIs other than Eligible NRIs).
"Non-Resident Indians" or "NRI(s)"	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
"OCB" or "Overseas Corporate Body(ies)"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
"Person(s)"	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
"Price Band"	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Price Band, and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM, and will be advertised, at least 2 (two) Working Days prior to the Bid/Issue Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●], a Urdu national daily newspaper, (Urdu being the regional language of Union Territory of Jammu & Kashmir, where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
"Pricing Date"	The date on which our Company, in consultation with the BRLM, will finalize the Issue Price.
"Prospectus"	Prospectus dated [●] to be filed with the RoC for this Issue on or after the Pricing Date in accordance with Sections 26 and 32 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
"Public Issue Account"	Bank account opened with the Public Issue Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and ASBA Accounts on the Designated Date.
"Public Issue Account Bank(s)"	Bank(s) which are a clearing member and registered with SEBI as a banker to an issue and with whom the Public Issue Account is opened for collection of Bid Amounts from Escrow Account and ASBA Account on the Designated Date, in this case being [●].
"QIB Category" or "QIB Portion"	The portion of the Net Issue (including the Anchor Investor Portion) being not less than 50% of the Net Issue consisting of [●]* Equity Shares which shall be available for allocation to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors). **Subject to finalization of Basis of Allotment*
"Qualified Institutional Buyers" or "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
"Red Herring Prospectus" or "RHP"	The Red Herring Prospectus dated [●] issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which did not

Term	Description
	have complete particulars of the price at which the Equity Shares shall be Allotted and which was filed with the RoC at least 3 (three) Working Days before the Bid /Issue Opening Date and became the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto.
"Refund Account"	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
"Refund Bank"	The Banker to the Issue with whom the Refund Account has been opened, in this case being [●].
"Registered Brokers"	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and with the stock exchanges having nationwide terminals, other than the BRLM and the Syndicate Members and eligible to procure Bids in terms of circular number CIR / CFD / 14 / 2012 dated October 14, 2012, and other applicable circulars issued by SEBI.
"Registrar Agreement"	The agreement dated September 27, 2023 entered between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the UPI circular, as per the lists available on the websites of BSE and NSE
"Registrar to the Issue" or "Registrar"	Bigshare Services Private Limited
"Resident Indian"	A person resident in India, as defined under FEMA
"Retail Portion"	The portion of the Net Issue being not less than 35% of the Net Issue comprising of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, which shall not be less than the minimum Bid Lot, subject to valid Bids being received at or above the Issue Price. **Subject to finalization of Basis of Allotment.*
"Retail Individual Investors" or "RIIs" or "Retail Individual Bidders" or "RIBs"	Bidders (including HUFs and Eligible NRIs) whose Bid Amount for Equity Shares in the Issue was not more than Rs.2.00 lakhs in any of the bidding options in the Issue (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
"Revision Form"	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIBs bidding in the QIB Category and Non-Institutional Investors bidding in the Non-Institutional Portion are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs can revise their Bids during Bid / Issue period and withdraw their Bids until Bid / Issue Closing Date.
"Self-Certified Syndicate Bank(s)" or "SCSB(s)"	(i) The banks registered with the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time. (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40.

Term	Description
	Applications through UPI in the Issue can be made only through the SCSBs mobile applications whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
"Specified Locations"	Bidding centers where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form.
"Specified Securities"	Specified securities in terms of Regulation 2(1)(eee) of the SEBI ICDR Regulations.
"Sponsor Bank"	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the BRLM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of UPI Bidders as per the UPI Mechanism and carry out other responsibilities in terms of the UPI Circulars, in this case being [●].
"Stock Exchanges"	BSE Limited and National Stock Exchange of India Limited.
"Sub-Syndicate Members"	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms.
"Syndicate Agreement"	Agreement to be entered into among our Company, the Registrar to the Issue, the BRLM and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate.
"Syndicate Members"	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case [●]
"Syndicate or members of the Syndicate"	Together, the BRLM and the Syndicate Members.
"Systemically Important Non-Banking Financial Company"	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
"Underwriters"	The BRLM and the Syndicate Members
"Underwriting Agreement"	The agreement to be entered between the Underwriters and our Company to be entered into on or after the Pricing Date but prior to filing of Prospectus.
"UPI"	Unified payments interface, which is an instant payment mechanism, developed by NPCI.
"UPI Bidders"	Collectively, individual investors applying as (i) Retail Individual Investors in the Retail Portion; (ii) Non-Institutional Bidders with an application size of up to ₹5.00 lakh in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agent. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹5.00 lakh shall use UPI and shall provide their UPI ID in the Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on

Term	Description
	the website of the stock exchange as eligible for such activity)
"UPI Circulars"	Circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as amended by its Circular number SEBI/HO/CED/DIL/CIR/2016/26 dated January 21, 2016 and Circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/ HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022, SEBI master circular with circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular with circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time.
"UPI ID"	ID created on the UPI for single-window mobile payment system developed by the NPCI.
"UPI Mandate Request"	A request (intimating the UPI Bidders, by way of a notification on the UPI application and by way of a SMS directing the UPI Bidders to such UPI application) to the UPI Bidders initiated by the Sponsor Bank to authorize blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI, and the subsequent debit of funds in case of Allotment.
"UPI Mechanism"	The Bidding mechanism that is used by Retail Individual Investors to make Bids in the Issue in accordance with the UPI Circulars to make as ABA bid in the Issue.
"Wilful Defaulter"	A wilful defaulter as defined in Regulation 2(1)(lll) of the SEBI ICDR Regulations.
"UPI PIN"	Password to authenticate UPI transaction.
"Working Day"	All days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI, including UPI Circulars

Technical / Industry related terms

Term	Description
“EPC”	“Engineering, procurement, and construction”
“GDP”	Gross Domestic Product
“GVP”	Gross Value Added
“IIP”	Index of Industrial Production
“PFCE”	Private Final Consumption Expenditure
“GFCF”	Gross fixed capital formation
“WPI”	Wholesale Price Index
“CPI”	Consumer Price Index
“y-o-y”	Year on Year
“m-o-m”	Month on Month
“IMF”	International Monetary Fund
“RBI”	Reserve Bank of India
“MOSPI”	The Ministry of Statistics and Programme Implementation
“Est., Adv. Est”	Estimated, Advance Estimates
“P, F”	Projected, Forecast
“USD”	US Dollar
“INR”	Indian Rupee
“Mn, Bn, Tn”	Million, Billion, Trillion

Business Related Terms

Term	Description
“Bid Project Cost”	Bid Project Cost
“BIMS”	Bidder Information Management System
“BOQ”	Bill of Quantities
“BRO”	Border Road Organisation
“CAG”	Comptroller and Audit General
“CCEA”	Cabinet Committee on Economic Affairs
“CCI”	Competition Commission of India
“CMP”	Current Market Price
“CPCB”	Central Pollution Control Board
“CPM”	Critical Path Method
“CY”	Calendar Year
“DEA”	Department of Economic Affairs
“EC”	Environment Clearance
“EMI”	Equated Monthly Installment
“ERA, Jammu”	Government of Jammu and Kashmir Economic Reconstruction Agency
“EPC”	Engineering, Procurement and Construction
“ERP”	Enterprise Resource Planning
“GDP”	Gross Domestic Product
“GFCF”	Gross Fixed Capital Formation
“GIS”	Geographic Information System
“GNI”	Gross National Income
“GP”	Gram Panchayat
“GDP”	Gross Value Added
“HAM”	Hybrid Annuity Model

Term	Description
"IIP"	Index of Industrial Production
"IM"	Institutional Mechanism
"IMF"	International Monetary Fund
"IMIS"	Integrated Management Information System
"J&K"	Union Territory of Jammu and Kashmir
"J&K High Court"	Hon'ble High Court of Jammu and Kashmir and Ladakh
"JV"	Joint Venture
"KRCL"	Konkan Railway Corporation Limited
"MoR"	Ministry of Railways
"MoRTH"	Ministry of Road Transport and Highways
"MTA"	Model Tripartite Agreements
"NHAI"	National Highways Authority of India
"NHDP"	National Highways Development Project
"NHIDCL"	National Highway Infrastructure Development Corporation Ltd
"NIP"	National Infrastructure Policy
"NPA"	Non-Performing Asset
"PERT"	Project Evaluation and Review
"PFMS"	Public Financial Management System
"PPP"	Public Private Partnership
"PWD"	Public Works Department
"PWD, J&K"	Public Work (R&B) Department, Jammu & Kashmir
"RMC"	Ready-Mix Concrete
"ROB"	Road over Bridge
"UT"	Union Territory
"UT of J&K"	Union Territory Jammu and Kashmir

Conventional and General Terms / Abbreviations

Term	Description
"₹" or "Rs." Or "Rupees" or "INR"	Indian Rupees.
"AAEC"	Appreciable Adverse Effect on Competition.
"A.Y." or "AY"	Assessment Year.
"A/C"	Account.
"AGM"	Annual general meeting.
"AIF(s)"	An alternative investment fund as defined in, and registered with SEBI under, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
"AS" or "Accounting Standard"	Accounting Standards as issued by the Institute of Chartered Accountants of India.
"Associate"	A person who is an associate of the issuer and as defined under the Companies Act, 2013.
"Authorized Dealers"	Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000.
"Bn" or "bn"	Billion.
"BSE"	BSE Limited.
"CAGR"	Compound Annual Growth Rate.

Term	Description
"Category I FPI"	FPIs registered as "Category I foreign portfolio investors" under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
"Category II FPI"	FPIs registered as "Category II foreign portfolio investors" under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
"CCI"	Competition Commission of India.
"CDSL"	Central Depository Services (India) Limited.
"CIN"	Corporate Identity Number.
"CMP"	Current Market Price
"Companies Act, 1956"	The erstwhile Companies Act, 1956 along with the relevant rules made thereunder.
"Companies Act, 2013" or "Companies Act"	Companies Act 2013, as amended read with rules, regulations, clarifications and modifications thereunder.
"Competition Act"	Competition Act, 2002, as amended and the rules and regulations made thereunder.
"COVID-19"	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020.
"Consolidated FDI Policy"	The extant consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time.
"Control"	Control as defined under the Takeover Regulations, and the term "Controlled" shall be construed accordingly.
"Copyright Act"	Copyright Act, 1957.
"CPC"	Code of Civil Procedure, 1908
"CrPC"	Code of Criminal Procedure, 1973.
"CSR"	Corporate Social Responsibility.
"CY"	Calendar year.
"Debt to Equity Ratio"	Debt equity ratio is calculated as total borrowings divided by total equity.
"Depositories Act"	The Depositories Act, 1996.
"Depository"	A depository registered with under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
"DIN"	Director Identification Number.
"DPIIT"	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry *(formerly Department of Industrial Policy and Promotion)*, GoI.
"DP ID"	Depository Participant's identity number.
"EBITDA"	Earnings before interest, taxes, depreciation and Amortization excluding other income.
"EBITDA Margin"	EBITDA Margin is the percentage of EBITDA divided by revenue from operations.
"EGM"	Extraordinary general meeting.
"EMI"	Equated Monthly Instalment
"EPS"	Earnings per share.
"ERP"	Enterprise Resource Planning.
"ESIS"	Employees' State Insurance Scheme.
"Euro" or "EUR"	Euro, the official single currency of the participating member states of the European Economic and Monetary Union of the Treaty establishing the European Community.

Term	Description
"FCNR"	Foreign currency non-resident account.
"FDI"	Foreign direct investment.
"FDI Circular"	The Consolidated Foreign Direct Investment Policy bearing DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, effective from October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
"FEMA"	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
"FEMA Non-Debt Rules"	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended.
"Financial Year" or "Fiscals" or "fiscal year"	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
"FPIs"	A foreign portfolio investor who has been registered pursuant to the SEB1 FPI Regulations.
"FVCI"	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
"GDP"	Gross Domestic Product.
"GoI" or "Government"	Government of India.
"GST"	Goods and services tax.
"HUF(s)"	Hindu Undivided Family(ies).
"ICAI"	Institute of Chartered Accountants of India, New Delhi.
"ICRA"	ICRA Limited.
"IFRS"	International Financial Reporting Standards of the International Accounting Standards Board.
"IMF"	International Monetary Fund.
"Income Tax Act"	Income-tax Act, 1961, read with the rules framed thereunder.
"Income Tax Rules"	Income-tax Rules,1962, as amended.
"Ind AS"	The Indian Accounting Standards referred to in the Companies Act 2013 and Companies (Indian Accounting Standard) Rules, 2015, as amended.
"Indian GAAP"	Generally Accepted Accounting Principles in India.
"INR" or "Rupee" or "₹" or "Rs."	In Rupee, the official currency of the Republic of India.
"Ind AS 24"	Indian Accounting Standard 24 issued by the ICAI.
"IPC"	Indian Penal Code, 1860, as amended.
"IQF"	Individual Quick Freezing.
"IRDAI"	Insurance Regulatory and Development Authority of India.
"ISO"	International Organization for Standardization.
"IST"	Indian Standard Time.
"IT"	Information Technology.
"KVA"	Kilovolt Ampere.
"MCA"	The Ministry of Corporate Affairs, Government of India.
"Mn"	Million.
"Mutual Funds"	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
"N.A." or "NA"	Not Applicable.

Term	Description
“NACH”	National Automated Clearing House.
“NAV”	Net Asset Value.
“NEFT”	National Electronic Fund Transfer.
“NPCI”	National Payments Corporation of India.
“NRE accounts”	NRI Non-Resident External account.
“NRI” or “Non-resident Indian”	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an “Overseas Citizen of India” cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955.
“NRO accounts”	Non-Resident Ordinary accounts.
“NSDL”	National Securities Depository Limited.
“NSE”	National Stock Exchange of India Limited.
“OCB” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
“P/E Ratio”	Price/Earnings Ratio.
“p.a.”	Per annum.
“PAN”	Permanent account number.
“PAT”	Profit after tax.
“PCB(s)”	Pollution Control Board(s).
“PPE”	Property Plant Equipment.
“Provident Fund”	Provident fund for employees managed by the Employee’s Provident Fund Organisation in India.
“RBI”	Reserve Bank of India.
“Regulation S”	Regulation S under the U.S. Securities Act.
“RoC” or “Registrar of Companies”	The Registrar of Companies, Jammu.
“RoNW”	Return on Net Worth.
“RTGS”	Real Time Gross Settlement.
“SCRA”	Securities Contract (Regulation) Act, 1956.
“SCRR”	The Securities Contracts (Regulation) Rules, 1957.
“SCSB”	Self-Certified Syndicate Bank.
“SCORES”	Securities and Exchange Board of India Complaints Redress System.
“SEBI”	Securities and Exchange Board of India established under Section 3 of the SEBI Act, as amended.
“SEBI Act”	Securities and Exchange Board of India Act, 1992, as amended.
“SEBI AIF Regulations”	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
“SEBI FPI Regulations”	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.
“SEBI FVCI Regulations”	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
“SEBI ICDR Regulations”	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
“SEBI Listing Regulations”	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Term	Description
"SEBI Merchant Bankers Regulations"	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended.
"Sq. Ft." or "sq. ft."	Square Feet.
"Sq. mtr." or "sq. mtrs."	Square Meter.
"State Government"	The government of a state in India.
"STT"	Securities transaction tax.
"Takeover Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
"TAN"	Tax deduction account number.
"TDS"	Tax deducted at source.
TreDS	Trade Receivables Discounting System.
"U.S." or "United States"	The United States of America, together with its territories and possessions, any state of the United States of America and the District of Columbia.
"U.S. Securities Act"	United States Securities Act of 1933, as amended.
"VAT"	Value added tax.
"VCFs"	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to "India" in this Draft Red Herring Prospectus are to the Republic of India its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

In this Draft Red Herring Prospectus, for the purpose of restatement of financial information, the terms "we", "us", "our", "the Company", "our Company", "Issuer", "Issuer Company", unless the context otherwise indicates or implies, refers to "SRM Contractors Limited".

In this Draft Red Herring Prospectus, the terms "we", "us", "our", unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, Associates and Joint Ventures, if any.

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lac / Lakh" means "one hundred thousand", the word "million (mn)" means "Ten Lacs / Lakhs", the word "Crore" means "one hundred lakhs" and the word "billion (bn)" means "one hundred crores". In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Financial Data

Unless the context requires otherwise or as otherwise stated, the financial information in this Draft Red Herring Prospectus is derived from our Restated Consolidated Financial Information, as at and for the Financial Years 2023, 2022 and 2021, comprising the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statement of profit and loss and other comprehensive income, the restated consolidated statement of cash flows and restated consolidated statement of changes in equity for the Financial Years March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by the ICAI, as amended from time to time.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. Therefore, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal Year or FY, unless stated otherwise, are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, Ind AS, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS or any other accounting principles or standards. If we were to prepare our financial statements in accordance with such other accounting principles, our results of operations, financial condition and cash flows may be substantially different. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS, see "**Risk Factors –** ***Significant differences exist between Ind AS and other accounting principles, such as US GAAP and International Financial Reporting Standards (“IFRS”), which investors may be more familiar with and***

consider material to their assessment of our financial condition." on page 62. Prospective investors should consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in this Draft Red Herring Prospectus, including in the Sections titled ***"Risk Factors", "Our Business"*** and ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"*** beginning on page 32, 162 and 273, respectively and elsewhere in this Draft Red Herring Prospectus, have been calculated on the basis of the restated audited consolidated financial statements of our Company included in this Draft Red Herring Prospectus.

Currency and Units of Presentation

All references to "**Rupees**", "**Rs.**", "**INR**" or "**₹**" are to Indian Rupees, the official currency of the Republic of India. All references to "**£**" or "**GBP**" are to Great Britain Pound, the official currency of the United Kingdom. All references to "**$**", "**US$**", "**USD**", "**U.S. $**" or "**U.S. Dollars**" are to United States Dollars, the official currency of the United States of America.

All figures in decimals (including percentages) have been rounded off to one or two decimals, or to the nearest whole number. Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "lakh" units. One lakh represents 1,00,000. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off. However, where any figures that may have been sourced from third party industry sources are expressed in denominations other than lakhs in their respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources. In this Draft Red Herring Prospectus, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Non-GAAP Financial Measures

Certain Non-GAAP Measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Gross Profit, Gross Profit Margin, PAT Margin, CAGR Net Asset Value per Equity Share, Return on Net worth, Net worth, EBIT, Capital Employed, Return on Capital Employed and others ("**Non-GAAP Measures**"), have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These Non-GAAP financial measures are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP financial measures should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP financial measures are not standardized terms, hence a direct comparison of these Non-GAAP financial measures between companies may not be possible. These Non-GAAP Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies and hence have limited usefulness as a comparative measure. For details, see ***"Risk Factors – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the Indian fish meal industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and***

presented by other companies" on page 61.

Industry and Market Data

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "**Industry Report on Roads & Tunnels Infrastructure in India - Additional Focus on Union Territory of Jammu & Kashmir and Ladakh**" dated September, 28 2023" (the "**D&B Report**") prepared and issued by Dun & Bradstreet Information Services India Private Limited ("**D&B India**"), appointed by us on August 6, 2023, and exclusively commissioned and paid for by us in connection with the Issue. D&B India is an independent agency which has no relationship with our Company, our Promoters and any of our Directors or KMPs or SMPs. The data included herein includes excerpts from the D&B Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the D&B Report is available on the website of our Company at www.srmcpl.com until the Bid/Issue Closing Date.*

D&B Reports Disclaimer

D&B India in the D&B Report has also provided certain disclaimer which is reproduced herein below;

"*This study has been undertaken through extensive secondary research, which involves compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Dun & Bradstreet and its assumptions are based on varying levels of quantitative and qualitative analysis including industry journals, company reports and information in the public domain. Dun & Bradstreet has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics, and research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged. Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. The recipient should conduct its own investigation and analysis of all facts and information contained in this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.****"***

Unless otherwise indicated, all financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year, refers to such information for the relevant year. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. Further, industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.
In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. For risks in relation to the D&B Reports, see ***"Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the D&B Report which have been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks"*** *on page 51. Also see,* ***"Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data – D&B Report Disclaimer"*** *on page 51.*

Exchange Rates

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

(in ₹)

Currency	Exchange rate as on March 31, 2023	Exchange rate as on March 31, 2022	Exchange rate as on March 31, 2021
1 US$	82.22	75.81	73.50
1 GBP	89.61	99.55	100.95

Source: www.fbil.org.in and www.fedai.org.in

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. The Equity Shares have not been and will not be registered under the U. S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of each jurisdiction where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "***aim***", "***anticipate***", "***are likely***", "***believe***", "***expect***", "***estimate***", "***intend***", "***likely to***", "***objective***", "***plan***", "***project***", "***propose***", "***will***", "***seek to***", "***will continue***", "***will pursue***" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Draft Red Herring Prospectus that are not statements of historical fact constitute 'forward-looking statements'. All statements regarding our expected financial conditions and results of operations, business plans and objectives, strategies and goals and prospects are forward looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. This could be due to risks or uncertainties associated with expectations relating to, and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, changes in the incidence of any natural calamities and/ or violence, regulations and taxes and changes in competition in the industries in which we operate. Certain important factors that could cause actual results to differ materially from our expectations include but are not limited to, the following:

- 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.
- There are certain outstanding litigations involving our Company, our Promoters, our Directors and our Project Specific Joint Ventures, which, if determined adversely, may affect our business operations and reputation.
- 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 prospect.
- We are required to furnish financial and performance bank guarantees and letter of credits as part of our business. Our inability to arrange such guarantees and/or letters of credit may adversely affect our cash flows and financial condition.
- Timely completion of our projects is interdependent on the availability and performance of sub-contractors. Projects undertaken through a joint venture may be delayed on account of the performance of the joint venture partner or, in some cases, significant losses from the joint venture may have an adverse effect on our business, results of operations and financial condition.
- Our revenue is generated from projects undertaken with government entities or agencies, contracts of which usually contain terms that favour the clients. Such project / contracts are awarded on the basis of certain pre-qualification criteria and competitive selection process and are usually in a standard form, restricting our ability to negotiate the terms and conditions. Any change in the government policies or focus and/or we are unable to recover payments in a timely manner, would adversely affect our business and result of operations.
- Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book.
- Our projects are exposed to various implementation and other risks, including risks of time and cost overruns, and uncertainties, which may adversely affect our business, financial condition, results of operations, and prospects.
- Inability to comply with and changes in, safety, health, environmental and labour laws and other applicable regulations.
- We operate in the difficult terrain of Union Territory of Jammu & Kashmir which is characterised by cold to extreme cold whether conditions, our business and operations may be affected by seasonal factors which may restrict our ability to carry on activities related to our projects and fully utilize our resources.

For details regarding factors that could cause actual results to differ from expectations, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on page 32, 162 and 273, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoters, our Directors, the BRLM nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and the BRLM will ensure that the Bidder in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity shares pursuant to the Issue.

SUMMARY OF THE ISSUE DOCUMENT

The following is a general summary of the terms of the Issue and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "***Risk Factors***", "***The Issue***", "***Capital Structure***", "***Objects of the Issue***", "***Industry Overview***", "***Our Business***", "***Restated Financial Statements***", "***Outstanding Litigation and Material Developments***", "***Issue Procedure***", and " ***Description of Equity Shares and Terms of the Articles of Association***" beginning on pages 32, 162, 225, 283, 321 and 342, respectively.

Summary of Business

We are 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. We undertake construction works both as an EPC contractor and on an item rate basis for infrastructure projects. Our Company also undertakes sub-contracting assignments of infrastructure construction projects. We 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 we, thus, believe that we have developed the expertise and know-how to undertake infrastructure construction projects in difficult terrains. 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*).

Summary of Industry

In the recent years, J&K has received a boost in road infrastructure development. In recent years, the government's relentless focus on improving road infrastructure in the Union Territory of Jammu and Kashmir (J&K) has ushered in a wave of transformation, revolutionizing connectivity and fostering economic prosperity across the region. Union Territory of Jammu & Kashmir has been rapidly emerging as one of the fastest developing economies in the country. This transformation has played a pivotal role in not only enhancing economic growth but also in fostering connectivity that has bridged geographical and developmental gaps within the region. Over the period of 2020-2022, road and tunnel infrastructure have been prioritized, with approximately one lakh crore being allocated for the construction of a robust road network. Major upcoming infrastructure projects J&K are (i) Jammu and Srinagar MetroLite (10,599 crores); (ii) Amarnath Marg Project (estimated cost of Project - Rs 1800 Crores); (iii) Upgradation of Khellani Tunnel; and (iv) Srinagar-Baramulla Uri National Highway (estimated cost of project - 823.45 crore).
(Source: D&B Report)

Names of our Promoters

Sanjay Mehta, Ashley Mehta and Puneet Pal Singh are the Promoters of our Company.

Issue Size

The Issue comprises issue of up to 62,00,000 Equity Shares aggregating up to ₹[●] lakhs. For further details, see "***The Issue***", "***Issue Structure***", and "***Issue Procedure***" on page 66, 317 and 321.

Objects of the Issue

The fund requirements for each of the Object of the Issue are stated as below:

The details of the proceeds of the Issue are summarised in the table below:

Objects	Amount *(₹ in lakhs)* *
Gross Proceeds from the Issue	[●]
Less: Estimated Issue related expenses**	[●]

Objects	Amount *(₹ in lakhs)* *
Net Proceeds from the Issue (Net Proceeds)	[●]

***** *To be finalised upon determination of the Issue Price and updated in the Prospectus prior to the filing with the RoC*
***See "Issue Related Expenses" as detailed below*

Utilization of Net Proceeds

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

No.	Objects	Estimated Amount (₹ In lakhs)
1.	Funding capital expenditure requirements for the purchase of equipment/machineries	4,000.00
2.	Full or part repayment and/or prepayment of certain outstanding secured borrowings (including foreclosure charges, if any) availed by our Company	1,000.00
3.	Funding the working capital requirement	4,150.00
4.	Investment in joint venture projects	1,200.00
5.	General corporate purposes*	[●]
Total utilization of net proceeds		**[●]**

**To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Issue.*

For further details, see "***Objects of the Issue***" beginning on page 89.

Aggregate Pre-Issue shareholding of our Promoter and Promoter Group

The aggregate Pre-Issue shareholding of our Promoter and Promoter Group as on the date of the Draft Red Herring Prospectus, as a percentage of the Pre-Issue paid-up Equity Share capital of our Company is set out below:

No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)*
Promoter			
1.	Sanjay Mehta	1,42,31,000	84.99
2.	Ashley Mehta	8,00,000	4.78
3.	Puneet Pal Singh	1,00,000	0.60
Total (A)		**1,51,31,000**	**90.37**
Promoter Group			
1.	Aleena Mehta	8,00,000	4.78
2.	Kavita Sharma	8,00,000	4.78
Total (B)		**16,00,000**	**9.55**
Total (A+B)		**1,67,31,000**	**99.92**

For further details, see "***Capital Structure***" beginning on page 79.

Summary of Restated Financial Statements

Particulars	March 31, 2023	March 31, 2022	March 31,2021
Equity share capital	1,674.40	152.22	152.22
Net worth	6,316.07	4,441.47	2,684.70
Total revenue (including other Income)	30,065.09	26,550.88	16,194.74
Profit/(loss) after tax	1,874.62	1,756.77	827.28
Earnings per Equity Share	90.82	1,154.10	543.47
Net asset value per Share (in ₹)	37.72	291.78	176.37
Total borrowings (including current maturities of long-term borrowings)	4,715.82	3,152.40	31,95.75

Qualifications of the Auditors which have not been given effect to in the Restated Financial Statements

Our Statutory Auditor have not made any qualifications in the examination report that have not been given effect to in the Restated Financial Statements.

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, our Directors, our Promoter and our Subsidiaries and our Joint Ventures as on the date of this Draft Red Herring Prospectus is provided below:

(₹ in lakhs)

Nature of Cases	**Number of outstanding cases**	**Amount Involved (*in Rs. lakhs*)***
Litigation involving our Company		
Criminal proceedings against our Company	3	Not quantifiable
Criminal proceedings by our Company	Nil	Nil
Material civil litigation against our Company	10	1,285.89
Material civil litigation by our Company	3	210.47
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	10	37.51
Litigation involving our Directors		
Criminal proceedings against our Directors	Nil	Nil
Criminal proceedings by our Directors	Nil	Nil
Material civil litigation against our Director	Nil	Nil
Material civil litigation by our Director	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	1	0.04
Litigation involving our Promoter		
Criminal proceedings against our Promoter	Nil	Nil
Criminal proceedings by our Promoter	1	Nil
Material civil litigation against our Promoter	1	88.25
Material civil litigation by our Promoter	2	42.00
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Litigation involving our Subsidiaries		
Criminal proceedings against our Subsidiairies	Nil	Nil
Criminal proceedings by our Subsidiaries	Nil	Nil
Material civil litigation against our Subsidiaries	Nil	Nil
Material civil litigation by our Subsidiaries	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Litigation involving our Joint Ventures		
Criminal proceedings against our Joint Ventures	Nil	Nil
Criminal proceedings by our Joint Ventures	Nil	Nil
Material civil litigation against our Joint Ventures	3	423.33
Material civil litigation by our Joint Ventures	2	900.00
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	5	1.00

**To the extent quantifiable.*

For further details on the outstanding litigation proceedings, see "***Outstanding Litigation and Material Developments***" and "***Risk Factors***" beginning on page 283 and page 32 respectively.

Risk factors

For further details, see "***Risk Factors***" beginning on page 32.

Summary of contingent liabilities

(in ₹)

Particulars	March 31, 2023	March 31, 2022	March 31, 2023
I. Contingent Liabilities			
a) Bank Gaurantee issued by the Banks	6,185.29	4,192.54	3,781.64

For details, see "***Restated Financial Statements***" beginning on page 225.

Summary of Related Party Transactions

(***in Rs. lakhs***)

Name	Relationship	For the Year ended March 31, 2023	For the Year ended March 31, 2023	For the Year ended March 31, 2023
Directors Remuneration				
Sanjay Mehta	Director	60	60	60
Punit Pal Singh	Director	48	-	-
Vikas Vaid	Director	10	12	12
Total		**118**	**72**	**72**
KMP Remuneration				
Krishan Singh	KMP	4.96	4.9	2.97
Arun Mathur	KMP	2.45	-	-
Total		**7.41**	**4.9**	**2.97**
Rent Expenses				
Ashley Mehta	Director	5.9	4.3	-
Capital Contribution in JV				
ECI Engineers and SRM Projects (JV)	Entity in which the company is interested	9.1	17.61	11.32
Kapahi SRM Projects (JV)	Entity in which the company is interested	0.42	0.19	0.55
Sai SRM Projects (JV)	Entity in which the company is interested	95.9	222.69	230.75
SRM-Rajinder Projects (JV)	Entity in which the company is interested	-	9.95	-
Total		**105.42**	**250.44**	**242.62**
Withdrawal from JV				
ECI Engineers and SRM Projects (JV)	Entity in which the company is interested	0.02	114	-
Kapahi SRM Projects (JV)	Entity in which the company is interested	0.71	0.94	0.6
Sai SRM Projects (JV)	Entity in which the company is interested	-	12.04	272.92
SRM-Rajinder Projects (JV)	Entity in which the company is interested	-	-	2.3
Total		**0.73**	**126.98**	**275.82**
Bonus Issue of shares				

Name	Relationship	For the Year ended March 31, 2023	For the Year ended March 31, 2023	For the Year ended March 31, 2023
Sanjay Mehta	Director	1,521	-	-
Thakur Krishan Singh	Director (resigned on January 3, 2023)	0.6	-	-
Balance Outstanding				
ECI Engineers and SRM Projects	Joint Venture	75.44	59.46	87.66
Kapahi SRM Projects	Joint Venture	(22.72)	16.14	14.41
Sai SRM Projects	Joint Venture	376.9	289.31	21.24
SRM-Rajinder Projects	Joint Venture	13.19	13.18	0.71
Total		**442.81**	**378.09**	**124.02**

For further details of the related party transactions and as reported in the Restated Financial Statements, see "***Restated Financial Statements***" beginning on page 225.

Financing Arrangements

There have been no financing arrangements whereby our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the relevant financing entity during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the Equity Shares were acquired by our Promoters in the one year preceding the date of this Draft Red Herring Prospectus

Name of the Promoter	Number of equity shares acquired in the one year preceding the date of this Draft Red Herring Prospectus	Weighted average price per Equity Share (₹)
Sanjay Mehta	1,52,10,000	Nil
Ashley Mehta	8,00,000	Nil
Puneet Pal Singh	1,00,000	49

**As certified by Statutory Auditor by way of their certificate dated September 25, 2023.*

Average Cost of Acquisition of Equity Shares by our Promoters

Name of the Promoter	Number of Equity Shares held	Average cost per Equity Share (₹)
Sanjay Mehta	1,52,10,000	0.72
Ashley Mehta	8,00,000	Nil
Puneet Pal Singh	1,00,000	49

**As certified by Statutory Auditor by way of their certificate dated September 25, 2023.*

Details of Pre-IPO Placement

Our Company has not undertaken any pre-IPO placement.

An Issue of equity shares for consideration other than cash in the last one year

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
March 18, 2023	15,222,000	10	N.A	Bonus issue in the ratio of 10 bonus Equity Shares for every one Equity Share held in the Company(4)	Capitalization of reserves

For further details pertaining to Issue of Equity Shares for consideration other than cash, kindly refer to the chapter titled "***Capital Structure***" beginning on page 79.

Split/ Consolidation of equity shares in the last one year

Except as stated below, our Company has not undertaken any split or consolidation of Equity Shares in the last one year as on the date of this Draft Red Herring Prospectus.

The face value of the Equity Shares of our Company were split pursuant the shareholders resolution dated March 2, 2023 to which the Authorized Share Capital of the Company has been changed from ₹1,55,00,000 (Rupees one crore and fifty-five lakhs) consisting of 1,55,000 (One lakh fifty-five thousand) Equity Shares of ₹100 each into 1,55,00,000 (Rupees one crore and fifty-five lakhs) consisting 15,50,000 (Fifteen lakh and fifty thousand) Equity Shares of ₹10 each and the the issued, paid-up and subscribed share capital of our Company was sub-divided from ₹1,52,22,000 divided into 1,52,220 Equity Shares of ₹100 each into ₹1,52,22,000 divided into 15,22,200 Equity Shares of ₹10 each.

For further details pertaining to split of Equity Shares and other details, see "***Capital Structure***" on page 79.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not taken any exemption from complying with any provisions of the Securities Law from SEBI as on the date of this Draft Red Herring Prospectus.

SECTION II –RISK FACTOR

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this Issue including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this Section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or any other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or any part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company and Subsidiaries used in this Section is derived from our Restated Consolidated Financial Statements prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this Section in conjunction with "**Our Business**" on page 162, "**Industry Overview**" on page 115 and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on page 273 as well as other financial information contained herein. For capitalized terms used but not defined herein, see "**Definitions and Abbreviation**" on page 1.*

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

- *Some risks may not be material individually but may be material when considered collectively;*
- *Some risks may have an impact which is qualitative though not quantitative;*
- *Some risks may not be material at present but may have a material impact in the future.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this Section is derived from our financial statements under Ind AS, as restated in this Draft Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

*Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. For further details, see "**Forward-Looking Statements**" on page 24.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "**Industry Report on Roads & Tunnels Infrastructure in India - Additional Focus on Union Territory of Jammu & Kashmir and Ladakh**" dated September, 28 2023 (the "**D&B Report**") prepared and issued by Dun & Bradstreet Information Services India Private Limited ("**D&B India**"), appointed by us on August 6, 2023 and exclusively commissioned and paid by us in connection with the Issue. D&B India is an independent agency which has no relationship with our Company, our Promoters and any of our Directors or KMPs or SMPs. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the D&B Report is available on the website of our Company at* *www.srmcpl.com until the Bid/Issue Closing Date.*

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this Section. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

In this Draft Red Herring Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

Unless the context otherwise indicates, all references to "the Company" and "our Company", are references to SRM Contractors Limited and, unless the context requires otherwise, any reference to "we", "us" or "our" refers to SRM Contractors Limited.

The risk factors are classified as under for the sake of better clarity and increased understanding:

INTERNAL RISK FACTORS:

BUSINESS RELATED RISKS

1. 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, 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. We have historically focused primarily on of roads (including bridges), tunnels, slope stabilisation works and other miscellaneous civil construction activities in the Union Territories of Jammu & Kashmir and Ladakh and we generate our entire revenue from our projects in the Union Territory of Jammu & Kashmir and Ladakh. The concentration of our business in the Union Territory of Jammu & Kashmir and Ladakh exposes us to various risks, including but not limited to;

- regional civil unrest;
- political instability;
- regional militancy and terrorism;
- regional slowdown in construction activities or reduction in infrastructure projects;
- vulnerability to change in laws, policies and regulations of the political and economic environment;
- interruptions on account of adverse climatic conditions;

There can also be no assurance that the Government of India will continue to place emphasis on the infrastructure or related sectors in the Union Territory of Jammu & Kashmir and Ladakh. In the event of any
adverse change in budgetary allocations for infrastructure development or a downturn in available work in the infrastructure sector or resulting from any change in government policies or priorities, our business prospects and our financial performance, may be adversely affected.

Certain region of Union Territory of Jammu & Kashmir, particularly kashmir valley regions, have historically witnessed cross border sponsored terrorism which we believe have been considerably declined due to various steps undertaken by Indian Government such as greater counter-terrorism operations, surveillance along the borders, and a drop in cross-border infiltration along the LOC and various other steps undertaken by Government. The occurrence of any act of terrorism and the subsequent disruption of peace in the region where our projects are being executed might cause delays in the execution of our projects and have a negative impact on our business prospects, financial situation, and operational outcomes.

Further on August 5, 2019, the Central Government, abrogated Article 370 granting special status to the then state of Jammu & Kashmir, and bifurcated the erstwhile state into Union Territories of Jammu & Kashmir and Ladakh being administered by Central Government. However, a writ petition bearing number WP (C) 1013/2019, has been filed before the Hon'ble Supreme Court challenging the abrogation of Article 370 of the Indian Constitution and other connected matter and the same is presently sub-judice. In case Article 370 and 35A of the Indian Constitution are restored, a few of restrictions may be reimposed on the Companies based in Jammu & Kashmir including ours, such as restriction on holding of properties in the name of the Company.

The concentration of our operations in the in the Union Territory of Jammu & Kashmir and Ladakh heightens our exposure to adverse developments which may be beyond our control such as economic, political, demographic, regulatory and other changes, which may adversely affect our business prospects, financial conditions and results of operations.

2. Our revenue is majorly concentrated from projects undertaken or awarded by government authorities in Union Territory of Jammu & Kashmir and Ladakh. Any adverse changes in the central or policies in the Union Territory of Jammu & Kashmir and Ladakh may lead to our contracts being foreclosed, terminated, restructured or renegotiated, which may have a material effect on our business and results of operations.

Our business is primarily dependent on road, tunnels, slop stabilisation projects and other construction activity in Union Territory of Jammu & Kashmir and Ladakh undertaken or awarded by governmental authorities and other entities funded by the GoI. We currently derive majority of our revenues from contracts with a limited number of government entities, including NHIDCL, KRCL, ERA Jammu, BRO, and PWD J&K Northern Railway, Irrigation & Flood Control Department, J&K, JKRRDA and under sub contract assignment from third party major infrastructure and construction entities executing government funded infrastructure projects. Larger contracts from few customers may represent a larger part of our Order Book, increasing the potential volatility of our results and exposure to individual contract risks.

Such concentration of our business on a few projects or clients may have an adverse effect on our results of operations and result in a significant reduction in the award of contracts which could also adversely affect our business if we do not achieve our expected margins or suffer losses on one or more of these large contracts, from such clients.

Further, there can be no assurance that the GoI will continue to place emphasis on the infrastructure development or related sector. In the event of any adverse change in budgetary allocations for infrastructure development or a downturn in available work in the road infrastructure sector or resulting from any change in government policies or priorities, our business prospects on our financial performance, may be adversely affected. The contracts with government entities may be subject to extensive internal processes, policy changes, government or external budgetary allocation, insufficiency of funds and political pressure, which may lead to lower number of contracts available for bidding or increase in the time gap between invitation for bids and award of the contract or lead to renegotiation of the terms of these contracts which may lead to a delay in our business operations.

Furthermore, any change in policy and reassessment of existing awarded contracts. In such instances, the revised terms and conditions of future contracts may render all or some projects unviable, resulting in reduction of our revenues. Also, any reduction in the budgetary allocation or support by the government authorities may have a significant impact on the number of projects for which tenders may be issued by them resulting in slowdown or decline in our business prospects

We operate in a highly competitive environment. In the process of awarding contracts / projects, our clients generally specify pre-qualification criteria based on certain factors such as project execution experience, technical strength, performance capabilities, etc. While we strive to increase our portfolio of direct government contracts, we expect to face competition from large domestic infrastructure development companies, which are well placed to fulfil the pre-qualification criteria. There have been instances in the past, wherein bids made by us for infrastructure projects were not accepted on account of a favourable position held by our competitors. There can be no assurance that we would be able to meet such criteria in the future, whether independently or together with other project specific joint venture partners. We constantly compete for obtaining projects from government authorities and private players. If we are unable to meet the eligibility criteria and industry expectations in comparison with our competitors, we may not be successful in qualifying to bid for various future projects. Further, even if we meet the pre-qualification criteria, we cannot assure that we will be able to bid for the project/contract in the most competitive manner. These factors may limit us in getting future contracts, which may adversely affect our revenue.

Even if we are selected as the successful bidder and are awarded with the contract, our construction contracts with government entities are usually based on standard terms and conditions set out by the said entities. Thus, we have had only limited ability to negotiate the terms of these contracts, which tend to favour our government clients and we may be required to accept unusual or onerous provisions in such contracts in order to be engaged to execute such projects. These onerous conditions forming part of Government contracts may have adverse effects on our profitability. Further, if payments under our contracts with the government authorities in India are delayed, our financial condition and result of operations may be affected on account of an effect on our working capital requirements, resulting in additional finance costs and increase in our realization cycle.

Moreover, due to the inherent nature of the contracts with government authorities, there is also risk of projects getting inordinately delayed or not getting completed, struck off or getting into litigations or arbitration. For instance, five of our projects such as (i) *upgradation of Tutan Di Khui to Khada-Madana Road awarded by* PWD J&K" (ii) *work for improvement/upgradation of the Hasti Sarthal Devi Ji Road*; (iii) *providing and laying of wet mix macadam and berms filing on internal road of Marh area in block Marh; (iv) work of upgradation of Sidhra-Surinsar Road, Jammu; and (v) Engineering, Procurement and Construction of ANS Irrigation Canal Rajouri, J&K* could not be completed / struck / under arbitration or are inordinately delayed in past three (3) financial years. For more details of our litigations, please see "***Outstanding Litigation and Other Material Developments – Litigation filed by the Company and our Joint Venture***" on page 287.The outcome of the ongoing litigation/arbitration remains uncertain, and any adverse decision may further impact our profits. There can be no guarantee of a specific outcome or timeline for the resolution of the matter. The legal proceedings may also impact the Company's reputation and future business prospects.

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

We derive a significant portion of our revenues from a limited number of clients. For the Financial Fears ended March 31, 2023, March 31, 2022 and March 31, 2021, our revenue from top five (5) and top ten (10) clients are as follows:

(in ₹ lakhs)

No.	Particulars	Financial Year 2022-23		Financial Year 2021-22		Financial Year 2020-21	
		Revenue	%	Revenue	%	Revenue	%
1.	**Revenue from Top five (5) Clients**	21,518.48	71.66%	21,050.37	79.85%	12,440.27	77.72%
2.	**Revenue from Top ten (10) Clients**	27,626.16	92.00%	25,280.30	95.90%	14,597.40	91.20 %

For further details, see "***Our Business - Our Order Book***" on page 173.

Significant revenue from a limited number of clients increases the potential volatility of our results and exposure to individual contract risks. We may be required to accept onerous contractual terms in our contracts for projects awarded to us by such clients. While our Company has not experienced such instances in the past, in the event that our Company is unable to comply with its obligations in any contract with such top ten (10) clients, it would result in a substantial reduction in the number of contracts awarded by such client in future resulting in an impact on the overall business and revenue generated by the Company from such client. Further, such concentration of our business on selected projects or clients may have an adverse effect on our results of operations. We cannot assure you that we can maintain the same levels of business from our ten (10) clients. Furthermore, events such as adverse market conditions, any restructuring or changes in the regulatory regime, could adversely affect our clients and consequently impact our business.

Our experience in the infrastructure construction sector and ability to offer timely and efficient completion of work as per the agreed upon terms has enabled us to maintain our continued eligibility and qualification for bidding for projects. However, due to certain unforeseen circumstances such as, failure to obtain licenses and approvals or rights over a land, public interest litigations filed by environmentalists against the proposed projects, our clients may either terminate our contracts or may default and fail to pay amounts owed, which may adversely affect our Order Book and in turn, can impact our business and financial condition. Further, in the event we are unable to complete our projects within the time period prescribed under our contracts or within the extended period of contract, or the quality of our work deteriorates, then our relationship with our clients may get severed and we may not get further orders from our current clients which could adversely affect our business.

4. ***We may have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.***

Typically, projects undertaken by us require us to provide performance or bank guarantees, which are often demanded by our clients to protect them against any potential breach of the contracts executed by us. Depending on the number of on-going projects, the aggregate outstanding contingent liabilities, may or may not be substantial, from time to time. The details of contingent liabilities for the past three (3) financial years are mentioned below:

(*in ₹ Lakhs*)

Particulars	For Financial Year 2022-23	For Financial Year 2021-22	For Financial Year 2020-21
Contingent Liabilities			
Bank Guarantee issued by Banks	6,185.29	4,192.54	3,781.64

In the event any such contingent liabilities mentioned above were to materialise or, our business, financial condition and result of operations could be adversely affected. For further details, see ***"Note 25 - Contingent Liabilities - Restated Consolidated Financial Statement***" on page 258.

5. ***We have not yet placed orders in relation to the capital expenditure to be incurred for the proposed purchase of equipment / machineries. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment / machineries in a timely manner, or at all, the same may result in time and cost over-runs.***

We intend to utilize portions of the Net Proceeds for funding capital expenditure requirements for the purchase of equipment/machineries. While we have procured quotations from vendors in relation to the capital expenditure to support our expanding operations, we have not placed any firm orders for any of them. For details in respect of the foregoing, please see "***Objects of the Issue***" on page 89. Such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure that we will be able to undertake such capital expenditure at the costs indicated by such quotations or that there will not be cost escalations over and above the contingencies proposed to be funded out of the Net Proceeds. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes. In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the equipment or in the event the vendors are not able to provide the equipment and services in a timely manner, or at all, we may encounter time and cost overruns. Further, if we are unable to procure equipment and ancillary items or avail services from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the similar kind of plant and machinery, equipment and ancillary items and services, which satisfy our requirements at acceptable prices. Our inability to procure the machinery and equipment and services at acceptable prices or in a timely manner, may result in an increase in capital expenditure, extension or variation in the proposed schedule of implementation and deployment of the Net Proceeds, thereby resulting in an adverse effect on our business, prospects and results of operations.

We intend to invest in latest equipment and technology to support our expanding operations. Accordingly, we propose to utilize ₹4,000 lakhs out of the Net Proceeds towards such purchasing capital equipment/machineries. Our proposed capital expenditure requirements for the purchase of equipment/machineries remain subject to the potential problems and uncertainties that construction project face including cost overruns or delays. Problems that could adversely affect our expansion plan include labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed at various sites, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving government, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. Further, there can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditure significantly exceeds our budgets, or even if our budgets were sufficient to cover these projections, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition. For further details, please see "***Objects of the Issue***" on page 89.

6. ***Infrastructure projects are typically awarded to us on satisfaction of prescribed pre-qualification criteria and following a competitive bidding process. Our business and our financial condition may be adversely affected if new infrastructure projects are not awarded to us or if contracts awarded to us are prematurely terminated.***

Infrastructure projects are typically awarded to us following a competitive bidding process and satisfaction of prescribed technical and financial pre-qualification criteria. While the track record, experience of project execution, service quality, technical expertise, reputation and sufficiency of financial resources are important considerations in awarding contracts, there can be no assurance that we would be able to meet such technical and financial qualification criteria, whether independently or together with other joint venture partners. Further, once prospective bidders satisfy the prequalification requirements of the tender, the project is usually awarded on the basis of price competitiveness of the bid. We generally incur costs in the preparation and submission of bids, which are one-time, non-reimbursable costs. We cannot assure you that we would bid where we have been pre-qualified to submit a bid, or that our bids, when submitted or if already submitted, would result in projects being awarded to us.

If we are not able to pre-qualify independently to bid for large construction and development projects, we partner and collaborate with third parties for joint bidding for such projects. We may face competition from other bidders in a similar position looking for acceptable joint venture partners for prequalification requirements. If we are unable to partner with other suitable companies or lack the credentials to be the partner-of-choice for other companies, we may lose the opportunity to bid for large infrastructure projects, which could affect our growth plans. In cases of bids in a consortium, we may also not be able to secure bids due to negligence or disqualification of our joint venture partners, as these factors would be beyond our control. If a joint venture partner fails to perform its obligations satisfactorily, we may be required to incur additional expenditure to ensure the adequate performance and delivery of the contracted services or make payments on behalf of the joint venture partners, which could adversely affect the profitability of the contract.

Another factor which may impact the growth of our business is that our clients may terminate their construction agreements for reasons set forth in these agreements. If the client terminates any of our construction agreements, under the relevant agreement, it is generally required to compensate us for the amount, depending on the valuation of the unpaid works and the timing of the termination in relation to the payment milestones associated with the respective projects, unless the agreement is terminated pursuant to applicable law or our breach of the terms of the agreement is material. Such compensation process is likely to be time consuming and the amount paid to us may not be fully compensated to us. We cannot assure you that we would receive such amounts on a timely basis or in an amount equivalent to the value of our investment plus our lost profits. In past three financial year, we have experienced instance of one (1) early termination of our contract. Our Company was allotted contractual work for improvement/upgradation of the Hasti Sarthal Devi Ji Road by the Chief Engineer, Public Works Department ("**PWD**") and others and we achieved a progress of more than 30% of the work. However, due to the inaccessibility of the hilly and snow-bound terrain, the roads and connectivity are inaccessible for nearly three months every year and accordingly, extensions were granted to us by the PWD from time to time. Subsequently, when we payments against the work done, PWD terminated our contract. Hence, we have filed a writ petition before the J&K High Court seeking the quashing and setting aside of the Respondents order terminating the contract. For details, see "***Outstanding Litigation and Material Developments – Litigation filed by the Company***" on page 287**.** Such legal proceedings are extensive and time-taking and it cannot be assured that the outcome of such proceedings will be in our favour. These legal proceedings could divert management time and attention, consume our financial resources in defence or prosecution of such legal proceedings or cause delays in the construction, development or commencement of operations of our projects, or strain our relations with such clients. There can be no assurance that we will be successful in all, or any of such proceedings. We cannot assure you that such instances will not occur in future and any early termination of our contracts by our clients may adversely affect our business, results of operation and financial condition.

7. ***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. This requires us to obtain financing through various means. As on August 31, 2023, our total borrowings stood at ₹2,411.53 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. Additional equity financing could dilute our earnings per Equity Share and investors interest in the Company and could adversely impact our Equity Share price.

Furthermore, the objects of the Issue includes full or part repayment and/or prepayment of certain outstanding secured borrowings availed by our company and also funding working capital requirements of our Company. For more information in relation to such management estimates and assumptions, please see "***Objects of the Issue***" on page 89. Our working capital requirements may be affected due to factors beyond our control including force majeure conditions, delay or default of payment by our clients, non-availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

In the last three (3) financial years, our Company has been able to raise funding from bank as and when the need has arisen and has never delayed and defaulted its financial commitments. However, any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credits which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, results of operations and financial condition.

8. ***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*.**

We derive majority of our revenues from construction of Roads, Tunnel and Slope Stabilisation work. Our Company's revenue from operations for Financial Year 2023, Financial Year 2022 and Financial Year 2021 are detailed as below;

Our 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	13,532.93	45.07%	10,277.71	38.99%	8,729.29	54.54%
Tunnel Projects	7,822.08	26.05%	10,857.19	41.22%	6,742.26	42.12%
slope stabilisation works	8,390.26	27.94%	4,904.58	18.61%	228.71	1.43%
Other miscellaneous civil Construction Activity	283.80	0.94%	311.66	1.18%	305.62	1.91 %

Our business depends significantly on construction of Roads, Tunnel and Slope Stabilisation work. In order to procure contracts, we bid for projects on an ongoing basis which are typically awarded by the Government bodies involving a competitive bidding process and satisfaction of prescribed qualification criteria. There can be no assurance that we would be able to meet such criteria, whether independently or together with other joint venture partners. In addition, we cannot assure you that we would bid where we have been qualified to submit a bid or that our bids, when submitted or if already submitted, would be accepted. Our Company also undertakes sub-contracting assignments from other major infrastructure and construction entities. Our business, growth prospects and financial performance largely depends on our ability to obtain new construction of Roads, Tunnel and Slope Stabilisation work, and there can be no assurance that we will be able to procure new contracts for our business. Our future results of operations and cash flows may fluctuate from period to period depending on the timing of our contracts. In the event we are unable to obtain new construction of Roads, Tunnel and Slope Stabilisation work, our business will be materially and adversely affected.

9. ***Our Company, its Promoters, its Directors and its Joint Ventures are involved in litigation proceedings that may have a material adverse outcome.***

There are outstanding legal proceedings involving our Company, its Promoters, its Directors and its Joint Ventures. These proceedings are pending at different levels of adjudication before various courts.

A summary of outstanding litigation proceedings involving our Company, its Promoters, its Directors and its Joint Ventures as on the date of this Draft Red Herring Prospectus is provided below:

(*in Rs. lakhs*)*

Nature of Cases	Number of outstanding cases	Amount Involved
Litigation involving our Company		
Criminal proceedings against our Company	3	Not quantifiable
Criminal proceedings by our Company	Nil	Nil
Material civil litigation against our	10	1,285.89

Nature of Cases	Number of outstanding cases	Amount Involved
Company		
Material civil litigation by our Company	3	210.47
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	10	37.51
Litigation involving our Directors		
Criminal proceedings against our Directors	Nil	Nil
Criminal proceedings by our Directors	Nil	Nil
Material civil litigation against our Director	Nil	Nil
Material civil litigation by our Director	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	1	0.04
Litigation involving our Promoter		
Criminal proceedings against our Promoter	Nil	Nil
Criminal proceedings by our Promoter	1	Nil
Material civil litigation against our Promoter	1	88.25
Material civil litigation by our Promoter	2	42.00
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Litigation involving our Subsidiaries		
Criminal proceedings against our Subsidiairies	Nil	Nil
Criminal proceedings by our Subsidiaries	Nil	Nil
Material civil litigation against our Subsidiaries	Nil	Nil
Material civil litigation by our Subsidiaries	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil
Litigation involving our Joint Ventures		
Criminal proceedings against our Joint Ventures	Nil	Nil
Criminal proceedings by our Joint Ventures	Nil	Nil
Material civil litigation against our Joint Ventures	3	423.33
Material civil proceedings by our Joint Ventures	2	900.00
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	5	1.00

**To the extent quantifiable.*

We may be required to devote management and financial resources in the defense or prosecution of such legal proceedings. Should any new developments arise, including a change in Indian laws or rulings against us by the appellate courts or tribunals, we may face losses and we may have to make further provisions in our financial statements, which could increase our expenses and our liabilities. Decisions in such proceedings, adverse to our interests, may have a material adverse effect on our business, cash flows, financial condition, and results of operations. Failure to successfully defend these or other claims, or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subject to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure you that similar proceedings will not be initiated in the future. Any adverse order or direction in these cases by the concerned authorities, even though not quantifiable, may have an adverse effect on our reputation, brand, business, results of operations and financial condition. For further details, please refer to the section "***Outstanding Litigation and Material Developments***" beginning on page 283.

10. ***Our Promoters have issued personal guarantees and/or mortgaged their property in relation to debt facilities availed by us, which if revoked, may require alternative guarantees, repayment of amounts due or termination of the facilities.***

Our Promoters have provided their personal guarantees and/or mortgaged their property in relation to our secured debt facilities availed from our bankers. In the event any of these guarantees are revoked or mortgaged properties are moved against, then the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. While we have not faced any revocation of such guarantees in the past , if any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. Further we may not be successful in procuring alternative guarantees satisfactory to the lenders and as a result, may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition. For further details, see *"**Financial Indebtedness**"* on page 264.

11. ***Projects undertaken through a joint venture may be delayed on account of the performance of the joint venture partner or, in some cases, significant losses from the joint venture may have an adverse effect on our business, results of operations and financial condition***

We undertake contracts independently or whenever required, through our 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. As on September 15, 2023, our order book consists of twenty-one (21) infrastructure construction projects. Out of the twenty-one (21) ongoing infrastructure construction projects, fifteen (15) infrastructure construction projects, including sub-contracting assignments, is being executed independently by us and six (6) infrastructure construction projects are being executed with our project-specific joint ventures. For information in respect of our ongoing projects, see "***Our Business - Our Order Book***" on page 173 and "***Our Business - Our Joint Ventures***" on page 176.

The projects for which we bid under the joint venture; the completion of such contracts also depend on the performance of our joint venture partner. The following table shows our share of total revenue from our Joint Ventures in the last three (3) financial years;

(₹ in lakhs)

Particulars	For Financial Year 2022-23	For Financial Year 2021-22	For Financial Year 2020-21
Revenue from Joint Ventures	13,477.18	9,473.74	4,964.67
Total Revenue from Operations	30,028.08	26,361.14	16,005.89
Percentage of Revenue	44.88%	35.94%	31.02%

While entering into the joint venture agreement with our project specific joint ventures partners, we set out the terms and conditions of the said Joint Venture including the roles and responsibilities. Further, if the joint venture partner fails to perform its obligations as per the requirements of the contract, it could result in breach of the terms of the contract awarded to the joint venture and we may be required to pay penalties and/or liquidated damages, or the client may invoke our performance guarantees. Further, given that the liability of joint venture partners is joint and several, in the event our joint venture partner fails to perform its obligations, we would be liable for completion of the entire project awarded to such joint ventures. Any failure to effectively protect ourselves against risks for any of these reasons could expose us to costs and potentially lead to material losses, which could adversely affect our business, results of operations and financial condition. Although generally we obtain professional indemnity policy in respect of the work executed in joint venture to protect ourselves against risks associated with Joint ventures, we cannot assure you that such measure will be sufficient to protect us against such associated risks.

Any inability of a joint venture partner to continue with a project under any unforeseeable circumstance, may lead to an additional responsibility on us for completion of the project and correspondingly greater share of the financial risk of the project. However, our Company possess requisite expertise and resource to complete such Project, we cannot assure you that such situation will not adversely affect our business, results of operations and financial condition.

Any disputes that may arise between us and our joint venture partners may cause delays in completion or the suspension of the project. In the past, we have not experienced disputes with our joint venture partners. However, we cannot assure that our relationships with our joint venture partners in the future will be amicable or we will have any control over their actions. Further, we may not be successful in finding the required joint venture partners for our bids due to which we may not be able to bid for a project.

12. We are required to furnish financial and performance bank guarantees and letter of credits as part of our business. Our inability to arrange such guarantees and/or letters of credit may adversely affect our cash flows and financial condition.

We are typically required to provide financial and performance bank guarantees in favour of our clients, for the projects undertaken by us, to secure our financial/performance obligations under the respective contracts. As on March 31, 2023, March 31, 2022, and March 31, 2021, we had issued bank guarantees (including letter of credit) amounting to ₹ 6,185.29 lakhs, ₹ 4,192.54 lakhs, ₹ 3,781.64 lakhs, respectively, towards securing our financial / performance obligations under our ongoing projects. In past, our Company has been able to furnish bank guarantees and letter of credit as and when the need has arisen. However, we may be unable to obtain financial and performance bank guarantees and letter of credit required to commensurate with our business operations in future. If we are unable to provide sufficient collateral to secure the financial bank guarantees, performance bank guarantees or letters of credit to financial institutions, our ability to bid for new projects, execute existing projects or obtain adequate materials could be limited and it could have a material adverse effect on our business, results of operations and our financial condition. For further details, see "***Note No. 25 Contingent Liabilities - Restated Consolidated Financial Statement***" on page 258.

13. We are dependent on our sub-contractors to perform various portions of the contracts awarded to us. Such dependency exposes us to certain risks such as availability and performance of our sub-contractors.

We undertake our construction business in an integrated manner as we have the key competencies and in-house resources to deliver a project from its conceptualization to completion. The scope of our services includes detailed engineering of the project, procurement of key materials, and project execution at the sites with overall project management up to the commissioning of these projects. In addition, we also undertake operation and maintenance of projects in accordance with our contractual arrangements. While we execute majority of the projects ourselves, we also form project-specific joint ventures with other infrastructure and construction entities. Depending on the nature and complexity of the work involved, we also engage sub-contractors to perform various portions of the contracts awarded to us. The total subcontracting expenses in the last three (3) financial years are mentioned below:

(₹ in lakhs)

Particulars	For Financial Year 2022-23	For Financial Year 2021-22	For Financial Year 2020-21
Revenue from operations	30,029.08	26,361.14	16,005.89
Sub-contracting charges*	7,278.38	7,016.02	3,415.55

Particulars	For Financial Year 2022-23	For Financial Year 2021-22	For Financial Year 2020-21
Percentage of Revenue	24.24	26.62	21.34

Sub-contracting charges includes payments on account of sub-contracting with materials. For further details, see "- Restated Financial Statement - Restated Statement of Profit and Loss**" on page 229.*

Our sub-contract agreements are essentially in the nature of works contract, where we engage sub-contractors to perform specific portions of the contracts. Our sub-contracting expenses comprise of; (i) composite work contracts which include materials and labour employed by our subcontractors; and (ii) engaging sub-contractors to perform the work without materials i.e. materials are entirely procured by our Company and transferred at respective sites. Our projects are subject to risks associated with engagement of sub-contractors. If the subcontractors fail to perform their obligations in a manner consistent with the contracts, our projects may not be completed as or when envisaged, or at all, thus leading to unexpected cost escalation. In the last three (3) financial years, our Company has not faced certain disputes or litigation with our sub-contractor whom work was allotted by the Company.

The timely completion of our projects depends on the availability of manpower, and also contingencies affecting them, including manpower shortages and transport strikes. Although the sub-contractors engaged by us are experienced, we cannot ensure that there will be no delay in performance of their duties, causing a delay in completion of our projects. While we may seek to recover these amounts as claims from the sub-contractor responsible for the delay or for providing non-conforming products or services, there can be no assurance that we will recover all or any part of these costs in all circumstances or that there will not be considerable delay in such recovery proceedings. Further, we cannot assure you that skilled sub-contractors will continue to be available at affordable rates or in the geographical area in which we undertake our present and future projects. As a result, we may be required to make additional investments or provide support to ensure adequate performance from the sub-contractors. Any consequent delay in project execution could adversely affect our profitability. If our sub-contractors are unable to perform on time, in accordance with their commitments, our ability to complete projects on time or at all could be impaired. This may have an adverse effect on our reputation, cash flows, business, results of operations and financial condition.

14. We may not be able to successfully manage the growth of our operations and execute our growth strategies which may have an adverse effect on our business, financial condition, results of operations and future prospects.

As we continue to grow, we must continue to improve our managerial, technical and operational knowledge and allocation of resources, and implement an effective management information system. In order to fund our ongoing operations and future growth, we need to have sufficient internal sources of liquidity or access to additional financing from external sources, including debt or equity. For further details on our strategies, see "***Our Business –Strategies***" on page 170. Further, we will be required to manage relationships with a number of clients, suppliers, contractors, service providers, lenders and other third parties. We will need to further strengthen our internal control and compliance functions to ensure that we will be able to comply with our legal and contractual obligations and minimize our operational and compliance risks. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business and operations and training an increasing number of personnel to manage and operate the expanded business. There can be no assurance that we will be able to successfully manage our growth, strategies or that our expansion plans will not adversely affect our existing operations and thereby have an adverse effect on our business, financial condition, results of operations and prospects.

Further, we could also encounter difficulties and delays in executing our growth strategies due to a number of factors, including, unavailability of human and capital resources, inability to develop adequate systems, infrastructure and technologies, delayed payments or non-payments by clients, failure to implement bidding strategy, failure to correctly identify market trends, increase in cost of raw material, fuel, labour etc., failure to form and maintain alliance with joint venture partners, failure on the part of our joint venture partners to perform their contractual obligations or any other risk that we may or may not have foreseen and such difficulties may result in delay in the execution of our projects. There can be no assurance that we will be able to execute our growth strategy on time and within the estimated costs, or that we will meet the expectations of our clients.

15. Our ongoing projects are exposed to various implementation risks and uncertainties and may be delayed, modified or cancelled for reasons beyond our control, which may adversely affect our business, financial condition and results of operation

As on September 15, 2023, our order book consists of twenty-one (21) infrastructure construction projects which includes twelve (12) roads projects (including bridges), five (5) tunnel projects, three (3) slope stabilization works and one (1) other miscellaneous civil construction activities. Among the twenty-one (21) infrastructure construction projects that we are currently executing, twelve (12) projects aggregating to a total contract value of ₹42,951.80 lakhs relates to road construction, five (5) project of total contract value of ₹18,195.50 lakhs relates to tunnel construction, 3 (three) projects aggregating to a total contract value of ₹9,248.10 lakhs relates to slope stabilisation works and one (1) project of total contract value of ₹347.60 lakhs relates to other construction activity. For information in respect of our ongoing projects, see "***Our Business – Our Order Book***" on page 173. The execution of these projects involves various implementation risks including delays attributable to construction, supply of materials, obtaining government and statutory approvals, unanticipated increase in cost, force majeure events, cost overruns or disputes with our joint venture partners. Further, we are subject to various risks associated with regulatory approvals and financial requirements for the execution of these projects, which may render the projects unprofitable.

Certain implementation risks and uncertainties which may be experienced by us, in the conduct of our business include; (a) Significant additional costs due to project delays; (b) Clients seeking liquidated damages on account of failure to achieve the project timelines; (c) Termination of contracts or rejection in extension of project timelines; (d) Inability to avail finance required for the execution of the project at affordable costs; (e) Unforeseen issues arising out of engineering designs for the projects; (f) Risk of equipment failure or industrial accidents that may cause injury and loss of life, and severe damage to and destruction of property and equipment; (g) Availability and price increase in relation to the materials and skilled manpower required for the execution of the project; (h) Inability of the relevant authorities to fulfil their obligations, in accordance with the relevant contracts, resulting in unanticipated delays; (i) Delays on account of subpar performance of the sub-contractors or the joint ventures of the Company; (j) disputes with workers, force majeure events and unanticipated costs due to any amendments in plans and specifications, among others.

In the last three (3) financial years, we have experienced certain instances of above risks, particularly risk mentioned in above point (f) and (h), in general conduct of our business. For further details, please see "***Outstanding Litigation and Material Developments – Litigation against our Company***" on page 283. Apart from these, we have not faced any instances in the last three (3) financial years, which have significantly affected our business operations. However, if all or any of these risks materialize, we may suffer significant cost overruns or even losses in our projects, which will materially and adversely affect our business, results of operation and financial condition.

While, our Company avails contractor all risk insurance policies for civil construction projects awarded to us which provides coverage for the entire project cost, and secures risks arising from trigger of escalation clause, earthquakes, third party liabilities. Further, our Company also obtains professional indemnity insurance for some contracts, we cannot assure you that our insurance policies will cover any and all cost escalation or additional liabilities in connection with the development of such projects. While in past three (3) years, there have not been any material events which have led us to claim coverage from our insurance policies, however, any liability in excess of our insurance payments, reserves or backup guarantee could result in additional costs, which would reduce our profits. If any of these risks materialize, they could adversely affect our profitability, which may in turn have an adverse effect on our overall results of operations.

Further, while our contracts with our clients have clauses which allow us to seek extension of time for completing our projects, we may for unforeseen reasons, not be able to obtain extensions for projects and thereby face delays or time overruns. While there have not been any instances in the past three (3) years, where we were not provided extension of time for completion of projects or where penalties were levied on account of delay, however, our clients may, as per the agreed upon contractual terms, be entitled to invoke penalty provisions and/or terminate the contract in the event of delay in completion of the work if the delay is not on account of any of force majeure clauses or any agreed exceptions. With respect to some of our projects, in the event of termination for any of the aforesaid reasons, we may only receive partial payments under such agreements and such payments may be less than our estimated cash flows from such projects. If any or all of these risks materialize, we may suffer significant cost overruns or time overruns or even losses in these projects due to unanticipated increase in costs as a result of which our business, profits and results of operations will be materially and adversely affected.

16. ***We are dependent upon the experience and skill of our promoter, management team and key managerial personnel and senior management personnel. Loss of our Promoter or our inability to attract or retain such qualified personnel, this could adversely affect our business, results of operations and financial condition.***

We believe that our Promoters have played a key role in the development of our business and we benefit from their industry knowledge and expertise, vision and leadership. Our Promoters have strong operational knowledge, good relationships with our clients and a successful track record of executing infrastructure projects. In addition to our Promoter, our key management and senior management team includes qualified, experienced and skilled professionals who possess requisite experience across various division of our business. We believe the stability of our management team and the industry experience brought on by our individual Promoters enables us to continue to take advantage of future market opportunities. We believe that our senior management team is well qualified to leverage our market position with their collective experience and knowledge in the infrastructure construction industry, to execute our business strategies and drive our future growth.

Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. The loss of the services of our key personnel or our inability to recruit or train sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects.

If we are unable to hire additional qualified personnel or retain them, our ability to expand our business may be impacted. Our Company's profitability, financial condition and results of operations may also be impacted due to lack of experienced and talented workforce. As we intend to continue to expand our operations and develop new projects, we will be required to continue to attract and retain experienced personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees. There can be no assurance that our competitors will not offer better compensation incentives and other perquisites to such skilled personnel.

17. ***Our business is subject to seasonal and other fluctuations that may affect our cash flows and business operations.***

Our Company's business is not seasonal, however we operate in the difficult terrain of Union Territory of Jammu & Kashmir which is characterised by cold to extreme cold whether conditions, our business and operations may be affected by seasonal factors which may restrict our ability to carry on activities related to our projects and fully utilize our resources. Heavy or sustained snowfall, extreme cold weather or other extreme weather conditions such as floods and landslides could result in delays or disruptions to our operations during the critical periods of our projects and cause severe damages to our premises and equipment. This may result in delays in execution of projects and also reduce our productivity. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses and our project related activities may be delayed or reduced. Adverse seasonal developments may also require the evacuation of personnel, suspension or curtailment of operations, resulting in damage to construction sites or delays in the delivery of materials. Any such fluctuations may adversely affect our total income, cash flows, results of operations and financial conditions.

18. ***We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing facility, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations.***

Although, we have obtained all material approvals required to carry on our business activities as on the date of this Draft Red Herring Prospectus, most of these approvals are granted for a fixed period of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our operations, thereby having a material effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any or all such permits or approvals in the time-frame anticipated by us or at all. We have made or are in the process of making applications to the relevant authorities to reflect the change in our name from '*SRM Contractors Private Limited*; to '*SRM Contractors Limited*'. For details, see "***Government and Other Approvals***" on 295.

Further, certain permits, licenses and approvals obtained by our Company are conditional in nature. While the Company endeavors to meet such conditions, we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals.

Any failure by us to apply in time, renew, maintain or obtain the required permits, licenses or approvals, or revocation, cancellation or suspension of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. There can be no assurance that the relevant authorities will issue such approvals in the time limit anticipated by us. Non-receipt of the aforesaid license would result in payment of fines under the respective laws.

We are also required to make certain payments to various statutory authorities from time to time, including but not limited to payments pertaining to employee provident fund, employee state insurance, income tax and excise duty. Any failure or delay in payment of such statutory dues may expose us to statutory and regulatory action, as well as significant penalties, and may adversely impact our business, results of operations and financial condition.

19. Our Company has applied for registration of the trademarks in its name. Until such registration is granted, we may not be able to prevent unauthorised use of such trademarks by third parties, which may lead to the dilution of our goodwill.

As on date, our Company's trademark i.e. "" ("**Logo**") is not registered. Our Company intends to make an application for registration of the said trademark Our Company has made the below listed applications for registering one of the trademark under the Trade Mark Act, 1999:

Sr. No.	Particulars of the Mark	Application No.	Class	Date of Application
1.		9307260	37	September 28, 2023

Further, our Company has not made an application for registration of our Company's logo "" ("**Logo**") used by our Company. With respect to our trademarks that have been applied for and the Logo that has not been registered yet, we cannot assure you that we will be successful in registering the trademark. As a result, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted. We cannot guarantee that any of our registered or unregistered intellectual property rights or our know-how, or claims thereto, will now or in the future successfully protect what we consider to be the intellectual property underlying our products and business, or that our rights will not be opposed or otherwise challenged.

Further, our application for the registration of trademark may be opposed by third parties, and we may have to incur significant cost in relation to these oppositions. In the event we are not able to obtain registrations due to opposition by third parties or if any injunctive or other adverse order is issued against us in respect of any of our trademarks for which we have applied for registration, we may not be able to use such trademarks and / or avail the legal protection or prevent unauthorized use of such trademarks by third parties, which may adversely affect our goodwill and business. For further details see "***Our Business - Intellectual Property***" and "***Government and Other Approvals - Intellectual Property***" on pages 185 and 299, respectively.

20. We have in past entered into related party transactions and we may continue to do so in the future

As of March 31, 2023, we have entered into a few related party transactions such as transaction involving Director's remuneration and rent towards the usage of registered office. In addition, we have also entered into transactions with other related parties in the past. We confirm that the transactions with Related Parties entered into by our Company in the preceding three years have been carried out at arms' length price and are not prejudicial to the interest of our Company.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

21. We may be exposed to liabilities arising from defects during construction, which may adversely affect our business, financial condition, results of operations and prospects.

Actual or claimed defects in construction quality during the construction of our projects, could give rise to claims, liabilities, costs and expenses. Further, we may not be able to recover such increased costs from our clients in part, or at all, for any defects observed in the projects or damage caused to the project on account of the fault of our workers. We may further face slight delays in the estimated project completion schedule in respect of such projects on account of additional works required to be undertaken towards rectifying such construction faults, and we may have to appoint additional workforce and resources in order to complete the project within the pre-determined time period, which may result in increased expenditure for our Company, which we may not be able to pass on to our clients. While any of the aforementioned events which could materially impact our projects or business operations, have not occurred in the past (3) three years, we cannot assure you that any claims in respect of the quality of our construction will not arise in the future and would not affect our business or financial condition. In the event any material events which bring the quality of our services could impact our eligibility to bid for road, tunnel, slop stabilisation work and other projects may be affected, or in the event any defects in our construction trigger the extreme circumstances leading to termination or affect public interest, could lead to termination of our contracts, blacklisting and may lead to litigations and therefore, could adversely affect our business operations and result of operations.

22. We operate in the construction industry where there are low entry barriers and is highly competitive. Our failure to successfully compete may adversely affect our business, financial condition, results of operations and prospects.

We are 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 construction sector is characterized by low barriers to entry, wherein large or small enterprises who may be operating in other sectors can build up pre-qualifications, independently or through joint ventures, and bid and compete with us for projects in this sector. The presence of numerous competitors, including both established and newly qualified entities, may result in heightened competition for projects, contracts, and clients. Although, we 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 we, thus, believe that we have developed the expertise and know-how to undertake infrastructure construction projects in difficult terrains. Any failure to successfully compete against new entrants in the sector could adversely affect our business, cash flows and financial condition. If we are unable to bid for and win projects, whether large or small, or compete with larger competitors, we may be unable to sustain or increase our volume of order intake and our results of operations may be materially adversely affected.

We compete against various domestic engineering, construction and infrastructure companies. Thus, we operate in a very competitive environment. Our competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. For further information concerning our competitors in specific industry and project segments, please see "***Industry Overview***" on page 115.

We may be unable to compete with larger infrastructure companies for high-value contracts, as many of them may have greater financial resources, economies of scale and operating efficiencies. If we are unable to bid for and win projects, whether large or small, or compete with larger competitors, we may be unable to sustain or increase, our volume of order intake and our results of operations may be materially adversely affected. While many factors affect our ability to win the projects that we bid for, pricing is a key deciding factor in most of the tender awards. While we have, in the past, been awarded a number of contracts in this segment, we cannot assure you that we will continue to be awarded such contracts. Further, in the event that our competitors follow a policy of severely underbidding in the projects that we bid for, our revenues may be adversely affected. Although in the past, we have not lost any clients due to such competition, these competitive factors may result in reduced revenues, reduced margins and loss of market share. Failure to compete successfully against current or future competitors could harm our business, operating cash flows and financial condition

23. Bidding for a tender involves various management activities such as detailed project study and cost estimations. Inability to accurately estimate the cost may lead to a reduction in the expected rate of return and profitability estimates.

We enter into contracts primarily through a competitive bidding process. Our clients typically advertise for potential projects on government portal such as eprocurement/etenders/defence procurement/GEM and in leading national newspapers. Prior to making a bid for a particular project and participating in a tender, we undertake various activities such as discussion on the scope of work, geographic location of the project, the degree of complexity in executing the project in such location, evaluation of eligibility, our current and projected workload, the likelihood of additional work, the project cost and profitability estimates and our competitive advantage relative to other likely bidders. For details, please see "***Our Business – Our Business Operations***" on page 178.

Accordingly, all of the bid amounts are based on estimates of the project cost, the fluctuation of which, either marginally or substantially, may impact our margins adversely. Further, we may incorrectly or inadequately estimate the project cost leading to lower bid amount affecting our profitability in case the project is awarded to us. Excess estimation of costs may lead to higher bid amount by us owing to which, we may not be awarded a contract which may substantially impact our results of operations and financials. Although we strive to achieve success for every bid we make, there is no guarantee that we would be successful in winning all the projects that we bid for. Further, as most of the projects involve long implementation periods (i.e., are spread over a longer period of time), cost escalation in our industry is a frequent issue although most of the agreements includes clauses relating to cost escalations. Therefore, any sudden fluctuations in costs or material availability or any other unanticipated costs will substantially impact the business operations, cash flows and financial condition**.**

24. Our profitability and results of operations may adversely be affected in the event of any disruption in the supply of materials or increase in the price of materials, fuel costs, labour etc.

The timely and cost-effective execution of our projects is dependent on the adequate and timely supply of key materials such as cement, steel, pipes and bitumen. We cannot assure you that we will be able to procure the required and adequate supplies of materials in the future, on commercially acceptable terms. If we are unable to procure the requisite quantities of materials on timely basis and on commercially acceptable terms, the performance of our business and results of operations may be adversely affected.

The top five (5) heads of costs incurred by our Company in the last three (3) financial years are mentioned below:

Particulars	For Financial Year 2022-23	For Financial Year 2021-22	For Financial Year 2020-21
Material Cost	10,192.98	8,702.15	5958.15
Construction Expenses	7,278.38	7,016.02	3,415.55
Employee Benefit Expenses	1,131.98	874.86	692.32
Finance Cost	580.02	255.35	232.70
Other Expenses	3,309.59	3,922.91	2,572.46

The cost of materials, fuel for operating our construction and other equipment, labour and other inputs constitute a significant part of our operating expenses. The prices and supply of materials depend upon factors that are beyond our control, including but not limited to general economic conditions, transportation costs, global and domestic market prices, competition, production levels, import duties, and these prices are cyclical in nature. Our ability to pass on the increases in the purchase price of materials, fuel and other inputs may be limited in the case of contracts having limited price escalation provisions. These variations and other risks generally inherent to the construction industry may result in our profits from a project being less than as originally estimated or may result in our experiencing losses. For details, please see "***Restated Financial Statement – Restated Statement of Profit and Loss***" on page 229.

25. Any inability to maintain or manage our workforce could have an impact on our profitability.

We are dependent on our workforce and our equipment and machineries for the operation of our projects. We also employ contractual labour, which provides us with readily available labours as per the requirements. We hire contract laborers depending on various factors like the location, size, duration, etc. and have several contractors providing skilled and unskilled labour at competitive prices. For further details, see "***Our Business – Human Resource***" on page 184. The number of contract labourers employed by us varies from time to time based on the nature and extent of work we are involved in. Our dependence on such contract labour may result in insignificant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract labour during peak periods in labour intensive sectors such as ours. There can be no assurance that we will have adequate access to skilled workmen at reasonable rates and in the areas in which we execute our projects. As a result, we may be required to incur additional costs to ensure timely execution of our projects

We maintain a workforce based upon our current and anticipated workloads. If our Company does not receive future contract awards or if these awards are delayed, it could incur significant costs in the interim. Our estimate of the future performance depends on, among other things, whether and when we will be awarded new contracts. While our estimates are based upon best judgment, these estimates can be unreliable and may frequently change based upon newly available information. In the case of large-scale projects where timing is often uncertain, it is particularly difficult to predict whether or when we will be awarded the contract. The uncertainty of the contract being awarded and its timing can present difficulties in matching workforce size with contract needs. If a contract, which we expect will be awarded, is delayed or not received, our Company could incur costs due to maintaining under-utilized staff and facilities, which could have a material adverse effect on our profitability, financial condition and results of operations and financial condition.

Although the attrition rate of our employee is low in the last three financial years, we cannot assure you that there will be no attrition of employees in the future and we may face attrition risk in respect of our employees. Due to the nature of our work, we employ large number of employees at our project sites from the local population. Upon completion of the project at the respective sites, many employees do not wish to be relocated at our new sites and they leave for other opportunities in their local area. Due to this, we usually have to consistently appoint new employees at our new project sites who may or may not have prior experience within the industry and need to be trained.

If we are unable to retain talent required for our business or hire employees with similar talents and experience in the same cost, we may incur additional costs or we may face difficulties in our operations and performance due to lack of skilled and experienced workforce which could have a material adverse effect on our profitability, financial condition and results of operations.

26. ***Wage pressures and increases in operating costs in India may prevent us from sustaining our competitive advantage and may reduce our profit margins.***

Wage and operating expenses increase in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. Wages in India are increasing at a faster rate than in the developed economies, which could result in increased employee benefit expenses. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Further, The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The provisions of this code will be brought into force on a date to be notified by the Central Government. This may impact our wage structure and may lead to increased wage payments to our employees. Additionally, the cost of operating expenses is also increasing as India continues to grow. Compensation increases manifest a hike in operational costs which may result in a material adverse effect on our business and financial condition and result of operations.

27. ***Our funding requirements and the deployment of Net Proceeds are based on management estimates and have not been independently appraised. Any variation in the utilisation of Net Proceeds of the Fresh Issue as disclosed in this Draft Red Herring Prospectus shall be subject to compliance requirements, including prior shareholders' approval.***

We propose to utilize the Net Proceeds as stated under "***Objects of the Issue***" on page 89. As per section 27 of the Companies Act, the objects of utilization of the Net Proceeds from the fresh issue as disclosed in this Draft Red Herring Prospectus can only be varied after obtaining the shareholders' approval vide a special resolution. In the event, the Company wishes to vary the objects for which the net proceeds from the fresh issue are required to be varied, our Company may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our ability to respond to any change in our business or financial condition, and thus, adversely affecting our business and results of operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter our Promoters from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI. In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

Further, we will be required to appoint a monitoring agency for monitoring the utilisation of proceeds of the Issue in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

28. ***Our operations may be adversely affected in case of industrial accidents, physical hazards and similar risks at our construction sites, which could expose us to material liabilities, loss in revenues and increased expenses.***

While construction companies, including us, conduct various scientific and site studies during the course of bidding for projects, there are always anticipated or unforeseen risks that may arise due to adverse weather conditions, geological conditions, specification changes and other reasons. Additionally, our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. Use of heavy machineries, handling of sharp parts of machinery by laborers during construction activities etc. may result in accidents, causing injury to our laborers, employees or other persons on the site and may prove fatal. Our Company has faced certain instances of accidents, causing injury to our laborers, employees or other persons on the site and similar risks at our construction sites in the last three (3) financial years in which, the details of which are as disclosed in "***Outstanding Litigations and Material Developments – Litigation filed against our Company***" on page 283. However, our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective and this may have a material adverse effect on our reputation, business, financial condition and results of operation.

29. Our insurance coverage may not be sufficient or may not adequately protect us against all or any hazards, which may adversely affect our business, results of operations and financial condition.

We maintain insurance policies to cover risks related to our projects in accordance with the terms of our contracts/ projects and best industry practices. Our insurance policies include policies such contractors all risk policy, professional indemnity insurance policy workmen's compensation policy, public liability insurance policy and contractor plants and machinery policy. Further, we have taken Vehicle insurance policies to insure our vehicles. Our policies are subject to standard limitations. Further, our insurance policies are subject to annual review, and we cannot assure that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have an adverse effect on our financial condition, results of operations and cash flows. In respect of some of our ongoing projects, we have not availed an insurance policy. While we believe that insurance coverage will be available in the future, we cannot assure you that such coverage will be available at costs and terms acceptable to us or that such coverage will be adequate with respect to future claims that may arise. Further, in the future, we may experience difficulty in obtaining insurance coverage for new projects at favourable prices, which could require us to incur greater costs. If we are not able to adequately insure against the risks we face, or the insurance coverage we have taken is inadequate to cover our losses, our business, financial condition and results of operations could be adversely affected. Additionally, if our projects are inadequately insured or not insured at all, we may face action from government authorities/bodies by way of penalties for non-compliance of contract terms. Any such action or non-compliance may affect our bids for future projects.

We cannot assure that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all material losses. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and in such cases our cash flows and results of operations and subsequently, our financial performance could be adversely affected.

30. Certain sections of this Draft Red Herring Prospectus disclose information from the D&B Report which have been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the report titled "***Industry Report on Roads & Tunnels Infrastructure in India - Additional Focus on Union Territory of Jammu & Kashmir and Ladakh****" dated September 28, 2023 (the "**D&B Report**") by Dun & Bradstreet Information Services India Private Limited ("**D&B India**"),* prepared exclusively for the Issue and commissioned and paid by our Company in connection with the Issue. D&B India has been appointed pursuant to engagement letter dated August 6, 2023.

Further, D&B Report are prepared based on information as of specific dates and may no longer be current or reflect current trends. Certain information in the D&B Report is subject to limitations and is also based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources do not guarantee the accuracy, adequacy or completeness of the data. The D&B Report uses certain methodologies for market sizing and forecasting and is subject to certain disclaimers set out in "***Certain Conventions, Presentation of Financial, Industry and Market Data***" on page 19. Furthermore, the D&B Report is not a recommendation to invest/ disinvest in any company covered in the D&B Report. Accordingly, Investors should not place undue reliance on, or base their investment decision solely on this information. For the disclaimer regarding these reports, see "***Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data – Reports Disclaimer***" on page 21.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the D&B Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the D&B Report before making any investment decision regarding the Issue. For further details, see "***Industry Overview***" on page 115.

31. Trade receivables and Inventories form a substantial part of our current assets and net worth. Failure to manage the same could have an adverse effect on our net sales, profitability, cash flow and liquidity.

Our business is working capital intensive and hence, trade receivables and inventories form a substantial part of our current assets and net worth. As on March 31, 2023, March 31, 2022 and March 31, 2021, the trade receivables and inventories stood at ₹2,574.62 lakhs (26.79%), ₹2,463.85 lakhs (27.56%) and ₹ 2,720.28 lakhs (33.65%) of the total current assets respectively. The details of bad debts written off provided for in the last three (3) financial years are given below:

Particulars	For Financial Year 2022-23	For Financial Year 2021-22	For Financial Year 2020-21
Revenue from Operations	30,029.08	26,361.14	16,005.89
Bad Debts Written Off	-	-	-

For details, please see "***Restated Financial Statement – Restated Statement of Profit and Loss***" on page 229.

However, in order to keep things running smoothly, we must closely monitor our clients' timely payments. If our management does not properly and promptly receive payments from our clients or if our payments are excessively delayed, it could cause liquidity crisis, which could increase the amount of working capital borrowed and, in turn, raise the cost of financing, which would have a negative effect on our profitability. Further, our dependency on government agencies exposes us to potential risks stemming from changes in government policies and regulations. Any change in government policy could result in delays or cancellations of existing projects, thereby affecting our revenue streams. Additionally, alterations in funding allocation or budgetary constraints of government agencies may influence their ability to make timely payments for our services, potentially leading to liquidity challenges for our Company. Similarly, due to the nature of our business, we are required to have large inventories which is primarily constituted of work-in-progress. Our working capital borrowings may be stressed if we are unable to manage our inventory on optimum basis, which could lead to a disparity in our cash flows and our profitability might also be negatively impacted.

32. ***We rely on effective and efficient project management. Any adverse change in our project management procedures could affect our ability to complete projects on timely basis or at all, which may cause us to incur liquidated damages for time overruns pursuant to our contracts.***

We execute projects on turnkey basis as EPC, with or without O&M. The scope of our services includes engineering of the project, procurement of materials, and project execution at the sites with overall project management up to commissioning of the projects. We have a track record of successful execution of road, tunnel and slope stabilization projects in the difficult terrain of the Union Territories of Jammu & Kashmir and Ladakh. Since incorporation, our Company, independently and through project-specific joint ventures, has completed thirty-seven (37) projects having an aggregate contract value of Rs.77,088.00 lakhs which includes thirty-one (31) roads projects, three (3) tunnel projects, one (1) slope stabilisation work and two (2) other miscellaneous civil construction activities. Our project-based businesses depend on proper and timely management of our projects. For further details, please see "***Our Business-Our Strengths***" on pages 167 and ***"Our Business - Our Business Operations***" on pages 178. There have been no instances in the last three (3) financial years, where any change in the management procedures has affected our ability to complete projects on a timely basis. Although we focus on project management in a number of ways, including by appointing project managers at our sites and by obtaining progress reports periodically, ineffective or inefficient project management could increase our costs and expenses and thus, materially and adversely affect our profitability.

33. We do not own certain premises used by our Company. Disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would adversely impact our operations and, consequently, our business.

As on the date of this Draft Red Herring Prospectus, our Company has taken on lease certain properties from related parties or third parties, the details of which have been provided below:

Primary Purpose	Location	Owned/Rented
Registered Office	Sector -3, Near BJP Office, Trikuta Nagar, Jammu-180012	Rented
Branch Office	Ground floor (consisting of 4 rooms, Lobby, Drawing Room and Dining room) of Hotel Hermut Hut, Shanam Road, Leh-194101	Rented

There can also be no assurance that our Company will be able to renew the rent agreements or deeds entered into with related or third parties in a timely manner or at all. Further, there can be no assurance that we will not face any disruption of our rights as a tenant and that such leave and license agreements will not be terminated prematurely by the owner of the property. Any such non-renewal or early termination or any disruption of our rights as licensee will adversely affect our business operations**.**

Following are the details of other immovable properties of the Company

No.	Description of the property	Description of the property	Owned/Leased	Usage
1	Land admeasuring 8 kanal in khasra No 358, Khewat no 48, and Khatra no 1324 Village Lamberi, Tehsil Nowshera, Jammu	Land	Owned	Investment and providing collateral security to the bank
2	781.56 Sq.Ft Hall no 409 (A-2),at Bahu Plaza Complex, Jammu	Commercial Space*	Long term Lease	Investment and providing collateral security to the bank
3	3049.17 Sq.Ft.Plot no. 23, Sector No. 1-A, Chaani Himmat, Jammu	Building	Owned	Investment and providing collateral security to the bank
4	20 kanal in khasra No 792, Khewat no 470 and Khatra No 80 Village Ban, Tehsil: Nagrota, Dist Jammu	Land	Owned	Investment and providing collateral security to the bank

Sanjay Mehta on behalf of the Company had participated in a bid for obtaining the above-mentioned property on long term lease basis of 40 years by Jammu Development Authority and was successfully allotted. However, due to dispute regarding actual area of said property advertised vis-à-vis allotted, a writ petition has been filed by Sanjay Mehta against Jammu Development Authority. For details, see "Outstanding Litigations and Material Developments – Litigation filed by our Promoter**"* on page 292.

The above listed immovable properties are held in the name of our Promoter and Director, Sanjay Mehta but on behalf of the Company. This is due to the fact that the then prevailing special status of the then State of Jammu & Kashmir under erstwhile Article 370 of the Indian Constitution restricted all companies, incorporated under Indian Companies Act 1956 or Companies Act 2013, to purchase or hold any immovable property in its name and therefore as a fall out, it was customary for the directors of such company to purchased immovable property in their own name and contribute the same to the assets of the company. Accordingly, under an internal arrangement, between our Promoter and Director, Sanjay Mehta and our Company, the above listed properties are held in the name of Sanjay Mehta but the properties are being shown in the Company's books of account as assets of our Company. For details, see ***"Restated Financial Statement – Investment Property"*** on page 249. Following the abrogation of Article 370 and Article 35-A of the Constitution of India in year 2019, companies in the Union Territory of Jammu and Kashmir are now permitted to possess immovable property under their own name. Nevertheless, companies based in J&K continues to encounter challenges in acquiring and registering such properties due to factors beyond their control such as administrative complications, delays in the registration process and other local or regional considerations. Furthermore, due to the ongoing writ petition bearing number WP (C) 1013/2019, which was filed before the Hon'ble Supreme Court challenging the abrogation of Article 370 of the Indian constitution and other connected matter (which is presently sub-judice), there is certain apprehension regarding the validity of abrogation of Article 370 and future socio-political condition in the Union Territory of Jammu and Kashmir. In case Article 370 and 35A of the Indian Constitution are restored by Hon'ble Supreme Court, our Company may be subject to the then prevailing restriction on holding immovable properties in its name. Therefore, once the final verdict of Hon'ble Supreme Court is announced and if the same holds the validity of abrogation of the Article 370 of the Indian Constitution, our Company will be required to register the above-mentioned immovable properties in its own name.

34. We own a large fleet of equipment and vehicles, resulting in fixed costs to our Company. Moreover, our Company is subject to operational risks on account of obsolescence, destruction, breakdown of our equipment and vehicles or failure to repair or maintain such equipment and vehicles. Further, if we do not continually enhance our business with the most recent equipment and technology, our ability to maintain and expand our markets may be adversely affected.

We own a large number of modern construction equipment, machinery and vehicles which are used in our operations and resulting in increased fixed costs to our Company. As on September 15, 2023, we own and maintain 227 equipment and machineries and vehicles. For details, please see "***Our Business – Integrated In-House Model - Equipment***" on page 181. The cost of maintaining and upkeep of such equipment in proper working condition constitutes a significant portion of our operating expenses.

Moreover, to maintain our capability to undertake projects, we may have to purchase machines and equipment, built with the latest technologies and knowhow and keep them readily available for our construction activities through careful and comprehensive repairs and maintenance. We cannot assure you that we will be immune from the associated operational risks such as the obsolescence of our plants or equipment, destruction, theft or major equipment breakdowns or failures to repair our major plants or equipment. These operational risks may result in project delays, cost overruns and even defaults under our construction contracts. The latest technologies used in newer models of construction equipment may improve productivity significantly, however they may render our older equipment obsolete.

Obsolescence, destruction, theft or breakdowns of our major plants or equipment may significantly increase our equipment purchase cost and the depreciation of our plants and equipment, as well as change the way our management estimates the useful life of our plants and equipment. In such cases, we may not be able to acquire new plants or equipment or repair the damaged plants or equipment in time or at all, particularly where our plants or equipment are not readily available from the market or requires services from original equipment manufacturers. Some of our major equipment or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability of bulk discounts. Such obsolescence, destruction, theft breakdowns, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an adverse effect on our business, cash flows, financial condition and results of operations. Although we have not faced any such instance of material nature in the last three (3) financial years, in the event we are unable to generate or maintain adequate revenues by successfully bidding for projects or recover payments from our clients in a timely manner or at all, we may not be able to keep our equipment and vehicles fully utilized and it could also have a material adverse effect on our financial condition and result of operations.

Further the technology, devices and equipment used in the construction industry may constantly evolve. Furthermore, as industry standards evolve, we may be required to enhance and develop our equipment, to comply with such standards. There is no assurance that we will be able to integrate and continually invest in such equipment and facilities or access to the latest technology on a timely basis, or that our prevailing systems may not be sufficiently robust to capture or adapt to the latest changes and updates. While we seek to mitigate against such risks by keeping abreast of and evaluating the latest equipment and technological advancements and upgrading our equipment, there is no assurance that we will be successful in doing so. Further, while there has been no material adverse impact on our operations, results of operations and financial conditions in the last three financial years due to any instance of our inability to enhance our business with the most recent technology and equipment, there is no assurance that such instances will not occur in the future. In the event that we cannot keep up to date with the current trends and needs of the construction industry, our facilities may lose their competitiveness and market share, which may adversely affect our revenue, and have a material adverse impact on our business, financial condition, results of operations and prospects.

35. Some of our agreements may have certain irregularities.

Some of our agreements and Memorandum of Understandings with clients, joint venture partners, related parties etc. may have certain irregularities such as illegible dates, inadequate stamping, and / or non-registration of deeds and agreements and improper execution of deeds although such instances are not material. Inadequate stamping, incorrect date of agreement and stamp and non-registration of documents affects their admissibility as evidence in legal proceedings, and we, as parties to that agreement, may not be able to legally enforce the same, except after paying a penalty for inadequate stamping, non-registration, etc. Although we have not faced any such instances in the last three (3) financial years, in the event of any dispute arising out of such unstamped, incorrectly dated or inadequately stamped and/or unregistered agreements, we may not be able to effectively enforce our rights arising out of such agreements which may have a material and adverse impact on our business

36. Our operations are subject to environmental, health and safety laws and regulations

Being in the infrastructure segment, we are required to comply with various laws and regulations relating to the environment, health and safety. Our project operations are subject to local environmental laws and regulations. There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of operations, or a material increase in the costs of operations, or otherwise have a material adverse effect on the financial condition and results of our operations. For further details, please see "***Key Regulations and Policies***" on page 187. While as of the date of this Draft Red Herring Prospectus, we are not subject to any environmental legal proceedings, we may be impleaded in such legal proceedings in the course of our business. Such legal proceedings could divert management time and attention and consume financial resources in defense or prosecution of such legal proceedings or cause delays in the construction, development or commencement of operations of our projects. No assurance can be given that we will be successful in all, or any, of such proceedings.

37. *We are subject to restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets. Any defaults could lead to acceleration of our repayment obligations, cross defaults under other financing agreements, termination of one or more of our financing agreements or force us to sell our assets, which may adversely affect our cash flows, business, results of operations and financial condition.*

We have entered into agreements for secured short term and long-term borrowings with certain lenders. As on March 31, 2023, an aggregate of ₹ 3,753.93 lakhs were outstanding towards loans availed from banks. The credit facilities availed by us are secured by way of mortgage, hypothecation of current assets (both present and future), and personal guarantees given by our Promoters. In case we are not able to pay our dues in time, the same may amount to a default under the loan documentation and all the penal and termination provisions therein would get triggered and the loans granted to us may be recalled with penal interest. This could severely affect our operations and financial condition. In addition, any breach of financial or non-financial covenant may qualify as an event of default under financing agreements.

We cannot assure you that the lenders will not seek to enforce their rights in respect of any breach by us under our financing agreements. Any failure to comply with any condition or covenant under our financing agreements that is not waived by the lenders or is not otherwise cured by us, may lead to a termination of our credit facilities and/or acceleration of all amounts due under the relevant credit facility. In addition, the lenders may enforce their security interest in certain of our assets. Moreover, during the period in which we are in default, we may face difficulties in raising further loans. Any future inability to comply with the covenants under our financing agreements or to obtain the necessary consents required thereunder may lead to termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such financing agreements and enforcement of any security provided. Any of these circumstances would have an adverse effect on our business, results of operation and financial condition. Further, the said credit facilities can be renewed/enhanced/cancelled/suspended/reduced and the terms and conditions of the same can be altered by the lending banks, at their discretion. In the event, the lenders refuse to renew / enhance the credit facilities and/or cancel / suspend / reduce the said credit facilities and/or alter the terms and conditions to the derogation of our Company, our existing operations as well as our future business prospects and financial condition may be severely affected.

38. There have been instances of delay in filing of Goods and Service Tax (GST) returns and in payment of Provident Fund dues.

There have been instances of delay in filing of GST returns in the past which were due to initial technological issue with GST portal, limited time frame for staff to align with the amendments in the initial years and multiple clarifications issued by the GST authorities. A wrong filing of GST return can lead to huge penalties and interest. Therefore, reconciliation and checking of returns before submitting them is necessary as there is no opportunity to make any changes afterward. Hence, there were delays in filing of GST returns in order to include correct inputs from all stakeholders involved and make them error free. There were also some delays in payment of EPF primarily due to technical glitches on the portal. Although, we have undertaken certain steps to avoid future delays, there can be no assurance that such delays may not arise in future. There is a possibility of financial penalties being imposed on us by the relevant Government authorities, which may have a material adverse impact on our cash flows and financial condition.

39. Our Promoter holds interest in one of the Promoter Group entities which is authorised to undertake business activities which are similar to the business conducted by our Company.

Our Promoter Group Entity, namely SRM Realties Private Limited is authorised to undertake business activities which are similar to the business conducted by our Company. As on date, SRM Realties Private Limited is not carrying any operations, however it is authorised to undertake business activities which are similar to the business conducted by our Company. We have not entered into any non-compete agreement with the Promoter Group entity. We cannot assure you that there will be no conflict of interest in allocating business opportunities between us and the Promoter Group entity or that we will be able to suitably resolve any such conflict without an adverse effect on our business and financial performance. For details, see, "***Our Promoter and Promoter Group - Entities forming part of our Promoter Group***" at page 222.

40. Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect business prospects, results of operations and financial condition.

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. While we have not faced any such instances of material nature in the last three (3) financial years, it may not always be possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which may result in write-off of such amounts.

41. We are exposed to the risks of malfunctions or disruptions of information technology systems.

We depend on information technology systems and accounting systems to support our business processes, including designing, planning, execution, procurement, inventory management, quality control, product costing, human resources and finance. Although these technology initiatives are intended to increase productivity and operating efficiencies, they may not achieve such intended results. These systems may be potentially vulnerable to outages due to fire floods, power loss, telecommunications failures, natural disasters, computer viruses or malware, break-ins and similar events. Effective response to such disruptions or malfunctions will require effort and diligence to avoid any adverse effect to our information technology systems.

42. ***Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

After completion of the Issue, our Promoters and Promoter Group will collectively own a majority of the Equity Shares of our Company. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our AoA. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

43. ***Our future funds requirements, in the form of issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

44. ***Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see "***Dividend Policy***" on page 224.

45. ***Our Promoters and some of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses.***

Some of our Directors are interested in our Company to the extent of their respective shareholding in our Company as well as to the extent of any dividends, bonus or other distributions on such Equity Shares. We cannot assure you that our Directors will exercise their rights as shareholders to the benefit and best interest of our Company. Further, our Promoters holding Equity Shares may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For further information on the interest of our Promoters and Directors, other than reimbursement of expenses incurred or normal remuneration or benefits, see "***Our Management***" and "***Our Promoters and Promoter Group***" on pages 204 and 220, respectively.

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

Our Promoters' average cost of acquisition of Equity Shares in our Company could be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the Book Running Lead Manager. The average cost of acquisition of Equity Shares acquired by our Promoters is set out below:

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

** As certified by the Statutory Auditor by way of its certificate dated September 25, 2023*

For more details regarding weighted average cost of acquisition of Equity Shares by our Promoter and buildup of Equity Shares by our Promoter in our Company, see "***Capital Structure***" on page 79

47. The requirements of being a public listed company may strain our resources and impose additional requirements.

Our Company has no experience as a public listed company or with the increased scrutiny of its affairs by shareholders, regulators and the public at large that is associated with being a public listed company. As a public company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted public company. Our Company will also be subject to the provisions of the listing related compliances which require us to file unaudited financial results on a quarterly basis. In order to meet our Company's financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

48. ***If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our Equity Shares.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition and results of operations. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

49. Our Company does not have any documentary evidence for the educational qualifications and experience of certain of our Directors.

Our Independent Director, Sushil Sharma has misplaced his educational qualification certificate and to this effect have reported to the local police station on December 12, 2017. Due to the lack of documents and relevant information from the aforementioned Directors, we have either placed reliance upon affidavits issued by the Directors, confirming the disclosures made in his biographies in the chapter titled "***Our Management***". For further details, please refer to the chapter titled "***Our Management***" on page 204.

50. Our Company has during the preceding one year from the date of the Draft Red Herring Prospectus have allotted Equity Shares at a price which is lower than the Issue Price.

In the last 12 months, we have made allotments of Equity Shares through bonus issue of shares to the shareholders, which are given without any consideration to the shareholders. For details relating to number of shares issued, date of allotment etc. see "***Capital Structure***" on page 79. The Issue Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

51. Use of similar name as that of our Company's mark "SRM Contractors" by third parties

Certain other companies registered in India have names similar as that of our Tradename "SRM Contractors". Apart from the entities carrying the name of "SRM Contractors" in this Draft Red Herring Prospectus, we have no relationship with such companies. Any potential litigation involving such companies may lead to confusion in the Investors, which may affect our brand image.

52. 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. Our Company has adopted a Corporate Social Responsibility ("**CSR**") policy and our CSR activities are administered by the CSR Committee. For further details on the composition of the CSR committee and its terms of reference, please refer to "***Our Management –Corporate Social Responsibility Committee"*** on page 214. In line with the CSR Policy adopted by us, 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. Going forward, we intend to comply with the applicable provision of the law relating to Corporate Social Responsibility. Due to the said non-compliance our Company and officers-in default may be liable to certain monetary penalty.

53. There is an instances of erroneous filings made by our Company with respect to the appointment of one of the directors.

In year 2009, Chandrashekhar Kurnool was appointed as our Executive Director. However, while submitting the form 32 for recording his appointment with RoC, his designation was inadvertently mentioned as Independent Executive Director instead of Executive Director. Although, the same was a clerical error, we cannot assure you that we would not be subject to penalties or fines for such inadvertence.

ISSUE SPECIFIC RISKS

54. ***The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

55. ***The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares will be determined by the book-building method. This price is based on numerous factors and may not be indicative of the market price of our Equity Shares after the Issue. For details, see "***Basis for Issue Price***" on page 105. The market price of our Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

56. ***Any future issuance of Equity Shares, or convertible securities or other equity linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. Any sale of our Equity Shares by our Promoters or major shareholders or future equity issuances, by us may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. We cannot assure you that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

57. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

58. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

59. QIB and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within such time period as may be applicable from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

60. We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the India industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of Indian retailing industry, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Draft Red Herring Prospectus. These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies.

EXTERNAL RISK FACTORS:

61. ***Significant differences exist between Ind AS and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.***

Our Restated Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "**Reports in Company Prospectuses (Revised 2019)**" issued by the ICAI.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

62. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in India is evolving and subject to change. Such changes in applicable law and policy in India, may adversely affect our business, financial condition, results of operations, performance and prospects in India, to the extent that we are not able to suitably respond to and comply with such changes.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

63. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, 2013, a company having share capital and incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of our Equity Shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted

64. ***Investors may not be able to enforce judgments obtained in foreign courts against us.***

We are a public limited company under the laws of India. All of our directors and officers are Indian nationals and all or a significant portion of the assets of all of the directors and officers and a substantial portion of our assets are located in India. As a result, it may be difficult for investors to effect service of process outside India on us or on such directors or officers or to enforce judgments against them obtained from courts outside India, including judgments predicated on the civil liability provisions of the United States federal securities laws.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the Reserve Bank of India to repatriate any amount recovered pursuant to the execution of the judgment.

65. ***We are a public limited company under the laws of India. Many of our directors and officers are Indian nationals and all or a significant portion of the assets of all of the directors and officers and a substantial portion of our assets are located in India. As a result, it may be difficult for investors to effect service of process outside India on us or on such directors or officers or to enforce judgments against them obtained from courts outside India, including judgments predicated on the civil liability provisions of the United States federal securities laws Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the infrastructure sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, and our business, prospects, financial condition and results of operations, in particular.

66. ***We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are proposed to be listed on the BSE and the NSE, subject to the receipt of the final listing and trading approvals from the Stock Exchanges. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- political instability, terrorism, military conflict, epidemic or public health issues in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- Instability in financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- changes in India's tax, trade, fiscal or monetary policies; and
- other significant regulatory or economic developments in or affecting India or its logistics sector.

Moreover, a fall in the purchasing power of our customers, for any reason whatsoever, including rising consumer inflation, availability of financing to our customers, changing governmental policies and a slowdown in economic growth may have an adverse effect on our customers' revenues, savings and could in turn negatively affect their demand for our products. In addition, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

67. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation relative to developed countries in the recent past. Continued high rates of inflation may increase our expenses related to costs of raw material, rent, salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

68. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

69. ***Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

70. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.

India has experienced natural calamities such as floods, landslides, tsunamis, earthquakes, etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

71. ***The occurrence of natural or man-made disasters may adversely affect our business, financial condition, results of operations and cash flows.***

The occurrence of natural disasters, including hurricanes, floods, tsunamis, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, may adversely affect our financial condition or results of operations. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. The potential impact of a natural disaster on our results of operations and financial position is speculative and would depend on numerous factors. In addition, an outbreak of a communicable disease in India or in the particular region in which we have projects would adversely affect our business and financial conditions and the results of operations. We cannot assure prospective investors that such events will not occur in the future or that our business, financial condition, results of operations and cash flows will not be adversely affected.

72. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

73. Rights of shareholders under Indian laws may be different from laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions under the Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as our shareholder than as a shareholder of an entity in another jurisdiction.

SECTION III – INTRODUCTION

THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by Our Company [(1)]	Issue of up to 62,00,000* Equity Shares of face value of ₹10/- each fully paid up for cash, at a price of ₹[●] per Equity share, aggregating ₹[●] lakh
The Issue consists of:	
A) QIB Portion[(2)(3)]	Not more than [●]* Equity Shares, aggregating up to ₹ [●] lakhs
Of which:	
(i) Anchor Investor Portion[(2)]	Up to [●]* Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●]* Equity Shares
Of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●]* Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●]* Equity Shares
B) Non – Institutional Portion[(5)]	Not less than [●]* Equity Shares, aggregating up to ₹ [●] lakhs
Of which:	
(a) One-third of the Non-Institutional Portion available for allocation to Bidders with an application size more than ₹2,00,000 and up to ₹10,00,000	[●]* Equity Shares
(b) Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹10,00,000	[●]* Equity Shares
C) Retail Portion[(5)]	Not less than [●]* Equity Shares, aggregating up to ₹ [●] lakh
Pre and Post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue (as on the date of this Draft Red Herring Prospectus)	1,67,44,200 Equity Shares of face value of ₹10 each
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net proceeds	For details about the use of Net Proceeds, please see ***"Objects of the Issue"*** on page 89.

**Subject to finalisation of the Basis of Allotment.*

Notes:

(1) *The Issue has been authorized by a resolution of our Board dated August 29, 2023 and has been authorized by a special resolution of our Shareholders, dated August 30, 2023.*

(2) *Our Company may, in consultation with the BRLM allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. The QIB portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the Net QIB Portion. 5% of the Net QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion (excluding Anchor Investor Portion) will be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids having being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please see "**Issue Procedure**" on* page 321.

(3) *Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from other categories or a combination of categories. In the event of under-subscription in the Issue, the Equity Shares will be allocated in the manner specified in "**Terms***

***of the Issue**" on page 311.*

(4) Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange, subject to applicable laws.

*(5) Allocation to Bidders in all categories, other than Anchor Portion, Retail Individual Portion and Non-Institutional Portion, shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. One-third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹2.00 lakhs and up to ₹10.00 lakhs, two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹10.00 lakhs and the unsubscribed portion in either of the above sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The Allocation to each Non-Institutional Investor shall not be less than the minimum application size viz. ₹2.00 lakhs, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis, in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For details, please see "**Issue Procedure**" on page* 321..

(6) SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹5,00,000 shall use UPI. Individual Investors bidding under the Non-Institutional Portion for more than ₹2.00 lakh and up to ₹5.00 lakh, using the UPI Mechanism, shall provide their UPI ID the Bid cum Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

For further details, including grounds for rejection of bids, please see *"**Terms of the Issue**", "**Issue Structure**"* and *"**Issue Procedure**"* on pages 311, 317, and 321 respectively.

SUMMARY FINANCIAL STATEMENTS

Annexure I - RESTATED STATEMENT OF ASSETS & LIABILITIES

(` In Lakhs)

	Particulars	**Note No**	**As at 31st March 2023**	**As at 31st March 2022**	**As at 31st March 2021**
A.	**ASSETS**				
1	**Non Current Assets**				
	(a) Property, Plant and Equipment	1	3,946.92	2,937.55	2,999.95
	(b) Investment Property	2	179.40	145.64	164.11
	Total Non Current Assets		**4,126.32**	**3,083.19**	**3,164.06**
2	**Current Assets**				
	(a) Inventories	3	1,036.69	842.56	466.25
	(b) Financial Assets				
	(i) Trade Receivables	4	1,537.93	1,621.29	2,254.03
	(ii) Cash and Cash Equivalents	5	2,066.59	1,665.35	1,584.84
	(iii) Investments	6	678.98	227.83	433.36
	(iv) Loans	7	439.98	109.36	109.45
	(v) Other financial assets	8	3,827.08	4,467.19	3,230.31
	(c) Other Current Assets	9	22.61	4.82	4.65
	Total Current Assets		**9,609.86**	**8,938.40**	**8,082.89**
	Total Assets(1+2)		**13,736.18**	**12,021.59**	**11,246.95**
B	**Equity and Liabilities**				
1	**Equity**				
	(a) Share capital	10	1,674.40	152.22	152.22
	(b) Other equity	11	4,641.18	4,288.76	2,531.99
	© Minority interest		0.49	0.49	0.49
	Total Equity		**6,316.07**	**4,441.47**	**2,684.70**
2	**Non Current Liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	12	2,576.68	1,767.05	1,955.30
	(ii) Provisions		-	-	-
	(b) Deferred Tax Liabilities (Net)	13	151.23	74.49	16.13
	Total Non Current Liabilities		**2,727.91**	**1,841.54**	**1,971.43**
3	**Current Liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	12	2,139.14	1,385.35	1,240.45
	(ii) Trade Payables				
	-Due to Micro and Small Enterprises	14	13.54	-	-
	-Due to Other then Micro and Small Enterprise		1,101.95	2,720.13	4,219.68
	(b) Provisions	15	800.81	1,483.17	949.16
	(c) Other Current Liabilities	16	636.77	149.93	181.53
	Total Current Liabilities		**4,692.21**	**5,738.58**	**6,590.82**
	Total Equity and Current Liabilities (1+2+3)		**13,736.19**	**12,021.59**	**11,246.95**

Annexure II - RESTATED STATEMENT OF PROFIT & LOSS

(` in Lakhs)

	Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
I.	Revenue from operations	17	30,029.08	26,361.14	16,005.89
II.	Other income	18	36.01	189.74	188.85
III.	**Total Income (I + II)**		**30,065.09**	**26,550.88**	**16,194.74**
IV.	Expenses:				
	Cost of material Consumed	19	21,757.84	18,551.83	11,097.14
	Employee benefits expense	20	1,131.98	874.86	692.32
	Finance costs	21	580.02	255.35	232.70
	Depreciation and amortization expense	22	780.80	616.45	516.82
	Other expenses	23	3,309.59	3,922.91	2,572.46
	Total expenses		**27,560.23**	**24,221.40**	**15,111.44**
V.	**Profit before tax (III-IV)**		**2,504.86**	**2,329.48**	**1,083.30**
VI.	Tax expense:				
	(1) Current tax		553.50	514.35	259.64
	(2) Deferred tax	24	76.74	58.36	(3.62)
	(3)MAT Credit Entitlement		-		
VII.	**Profit (Loss) for the period (V-VI)**		**1,874.62**	**1,756.77**	**827.28**
	(1) Remeasurements of the defined benefit plans		-	-	-
	(2) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
VIII	**Total other comprehensive income**		**-**	**-**	**-**
IX.	**Total comprehensive income for the year (VII+VIII)**		**1,874.62**	**1,756.77**	**827.28**
X.	**Earnings per equity share:**				
	(1) Basic (Adjusted)		90.82	1,154.10	543.47
	(2) Diluted (Adjusted)		90.82	1,154.10	543.47

Annexure III - RESTATED STATEMENT OF CASHFLOW

(` in Lakhs)

Particulars	**For the year ended 31st March 2023 Consolidated**		**For the year ended 31st March 2022 Standalone**		**For the year ended 31st March 2021 Standalone**	
Cash flow from Operating Activities						
Net Profit Before tax as per Statement of Profit & Loss		**2,504.86**		**2,329.48**		**1,083.30**
Adjustments for :						
Depreciation & Amortisation Exp.	780.80		616.45		516.82	
Interest Income	62.77		58.44		61.66	
Finance Cost	580.02	1,423.59	255.35	930.24	232.70	811.18
Operating Profit before working capital changes		**3,928.45**		**3,259.72**		**1,894.48**
Changes in Working Capital						
Dec/(Inc) Trade receivable	83.36		632.74		(1,580.00)	
Dec/(Inc)loans	(330.62)		0.09		(85.31)	
Inventories	(194.13)		(376.31)		738.84	
Dec/(Inc) Other Current Assets	(17.79)		(0.17)		(4.63)	
Dec/(Inc) Current Investements	(451.15)		205.53		(87.28)	
Dec/(Inc) Other Financial Assets	640.11		(1,236.88)		(454.31)	
Inc/(Dec)Trade Payables	(1,604.64)		(1,499.55)		728.56	
Inc/(Dec) Other Current Liabilites	486.84		(31.60)		164.68	
Inc/(Dec) Long Term Provision	(682.36)		534.01		363.23	
		(2,070.38)		(1,772.14)		(216.22)
Net Cash Flow from Operation		**1,858.07**		**1,487.58**		**1,678.26**
Less : Income Tax paid		553.53		514.35		259.64
Net Cash Flow from Operating Activities (A)		**1,304.54**		**973.23**		**1,418.62**
Cash flow from investing Activities						
Purchase of Fixed Assets	(1,790.16)		(554.05)		(1,099.25)	
Investment in Property	(33.76)		18.47		(164.09)	
Interest Income	(62.77)		(58.44)		(61.66)	
		(1,886.69)		(594.02)		(1,325.00)
Net Cash Flow from Investing Activities (B)		(1,886.69)		(594.02)		(1,325.00)
				Cash Flow From Financing Activities		
Proceeds From long Term Borrowing (Net)	809.63		(188.25)		(317.01)	
Interest Paid	(580.02)		(255.35)		(232.70)	
Proceeds from current	753.79	983.40	144.90	(298.70)	1,002.28	452.57

Particulars	For the year ended 31st March 2023 Consolidated	For the year ended 31st March 2022 Standalone	For the year ended 31st March 2021 Standalone
Borrowings			
Net Cash Flow from Financing Activities (C)	983.40	(298.70)	452.57
Net (Decrease)/ Increase in Cash & Cash Equivalents(A+B+C)	**401.25**	**80.51**	**546.19**
Opening Cash & Cash Equivalents	1,665.35	1,584.84	1,038.65
Cash and cash equivalents at the end of the period	**2,066.59**	**1,665.35**	**1,584.84**
Cash And Cash Equivalents Comprise :			
Cash	64.71	59.54	0.86
Bank Balance :			
Current Account	1,137.16	774.01	705.31
Deposit Account	864.72	831.80	878.67
Total	**2,066.59**	**1,665.35**	**1,584.84**

GENERAL INFORMATION

Registered Office

SRM Contractors Limited
Sector 3, Near BJP Head Office,
Trikuta Nagar, Jammu - 180012,
Jammu and Kashmir, India
Tel: +91 84918 77114 / + 0191 2472729
Website: www.srmcpl.com

Registration Number: 002933

Corporate Identity Number: U45400JK2008PLC002933

Details of incorporation and changes in the name of our Company

For details of our incorporation and changes to our name, see "***History and Certain Corporate Matters***" on page 195.

Address of the Registrar of Companies

Our Company is registered with the RoC located at the following address:

Registrar of Companies
Hall No. 405 to 408, Rail, Head Complex
Bahu Plaza, Jammu – 180 012
Jammu and Kashmir, India
Telephone: +0191 2470306

Board of Directors

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

Name and Designation	DIN	Address
Sanjay Mehta *Designation: Managing Director*	02274498	H. No. 4 A, Opp. Jain Nagar, Talab Tillo, Jammu - 180 002, Jammu and Kashmir, India
Ashley Mehta *Designation: Non-executive Director*	08068781	H. No. 4 A, Opp. Jain Nagar, Talab Tillo, Jammu – 180 002, Jammu and Kashmir, India
Puneet Pal Singh *Designation: Whole-time Director*	09740051	H.No. 325, Govind Pura, Satwari, Jammu - 180 003, Jammu and Kashmir, India
Sanjay Sharma *Designation: Independent Director*	01332068	House no. 18, Ward No. 2, near Girls HSS, Rajouri - 185131, Jammu and Kashmir, India
Sushil Sharma *Designation: Independent Director*	10228553	125, Sec 3, Trikuta Nagar, Ward No 53, Jammu – 180 020, Jammu & Kashmir, India
Yudhvir Gupta *Designation: Independent Director*	10262882	JMC-1510 Vaid Bhawan, Durga Lane, near Telephone Exchange, Talab Tillo, Jammu – 180 002, Jammu & Kashmir, India

For further details of our Directors, see "***Our Management***" beginning on page 204.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed through SEBI's online intermediary portal at https://siportal.sebi.gov.in, in accordance with SEBI Master Circular bearing reference SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June21, 2023, and as specified in Regulation 25(8)of the SEBI ICDR Regulations.

The Draft Red Herring Prospectus will also be filed with the Securities and Exchange Board of India at:

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex, Bandra (E)
Mumbai 400 051, Maharashtra, India

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013, will be filed with the RoC, and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Company Secretary and Compliance Officer

Arun Mathur is our Company Secretary and Compliance Officer. His contact details are as follows:

Sector 3, Near BJP Head Office
Trikuta Nagar, Jammu – 180012
Jammu and Kashmir, India
Tel: +91 84918 77114 / + 0191 2472729
E-mail: cs@srmcpl.com

Investor Grievances

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any Pre-Issue or Post-Issue related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Issue related queries and for redressal of complaints, investors may also write to the BRLM.

All Issue-related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Retail Individual Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary(ies) in addition to the documents or information mentioned hereinabove. All grievances relating to Bid submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

All Issue-related grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Manager

Interactive Financial Services Limited
612, 6th Floor, Shree Balaji Heights
Kokilaben Vyas Marg, Ellisbridge
Ahmedabad – 380009, Gujarat
India
Tel: +91 079-46019796 / +91 98980 55647

Email: mbd@ifinservices.in
Investor Grievance Email: info@ifinservices.in
Website: www.ifinservices.in
Contact Person: Jaini Jain
SEBI Registration No.: INM000012856

Statement of responsibilities of the Lead Manager

Interactive Financial Services Limited is the sole Book Running Lead Manager to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

Legal Counsel to the Company

Vidhigya Associates, Advocates
501, 5th Floor, Jeevan Sahakar Building
Sir P M Road, Homji Street
Fort, Mumbai - 400 001
Tel No: +918424030160
Email: rahul@vidhigyaassociates.com
Contact Person: Rahul Pandey

Registrar to the Issue

Bigshare Services Private Limited
Office No. S6-2, 6th Floor
Pinnacle Business Park, Next to Ahura Center
Mahakali Caves Road, Andheri East
Mumbai-400093
Tel: +91 22-6263 8200
Contact Person: Babu Rapheal C.
Website: www.bigshareonline.com
E-mail: ipo@bigshareonline.com
SEBI Registration No.: INR000001385
Investor Grievance E-mail: investor@bigshareonline.com

Bankers to our Company

ICICI Bank Limited
13 Gupta Tower
Rail Head Complex
Jammu - 180 004
Tel: +91 84938 66689
E-mail: mehak.khurana@icicibank.com
Website: www.icicibank.com
Contact person: Mehak Khurana

HDFC Bank Limited
Kashmir Auto Aids
Site No. 1, Transport Nagar
Narwal, Jammu - 180 005
Tel: +91 78894 76367
E-mail: rajivs.gupta@hdfcbank.com
Website: www.hdfcbank.com
Contact person: Rajiv Gupta

J&K Bank Limited
L.C.U Rail Head Complex

Zonal Office Building
Jammu - 180 004
Tel: +91-2471023 (ext. 358)
E-mail: lcurm2.rhc@jkbmail.com
Website: www.jkbank.net
Contact person: Vishal Sharma

Yes Bank Limited
20 B/C Gandhi Nagar
Jammu - 180 004
Tel: +91 9796274808
E-mail: gurjot.singh2@yesbank.in
Website: www.yesbank.co.in
Contact person: Grujot Singh

Bankers to the Issue

The Bankers to the Issue will be appointed prior to filing of the Red Herring Prospectus with the RoC.

Escrow Collection Bank(s), Public Issue Account Bank, Refund Bank And Sponsor Bank

The Escrow Collection Bank, Public Issue Account Bank Refund Bank/ Sponsor Bank shall be appointed prior to filing of the Red Herring Prospectus with the RoC.

Statutory Auditor to our Company

Satyendra Mrinal and Associates, Chartered Accountants
Hall No. 2, 1st Floor
Aquaf Market, Gandhi Nagar
Jammu – 180004
Jammu and Kashmir, India
Telephone: +91 98585 14318
E-mail: amitgupta.aga@gmail.com
ICAI Firm Registration Number: 017068N
Peer Review Number: 015561
Contact Person: Amit Gupta

Changes in Auditors

There have been no changes in the statutory auditors of our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Advisor to the Issue

Neomile Corporate Advisory Limited
Unit No. 1215, C Wing, One BKC, Bandra
Kurla Complex, Bandra East,
Mumbai-400 051, Maharashtra, India.
Telephone: +91 22 62398080
E-mail: info@neomilecapital.com
Website: www.neomilecapital.com
Contact Person: Kirtan Rupareliya

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which a Bidder (other than an Anchor Investor and RIB using the UPI Mechanism), not applying through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time.

SCSBs enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, Retail Individual Bidders bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https:// www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) which may be updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI Mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers/ Collecting Depository Participants / Registrar and Share Transfer Agent

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors and RIBs using the UPI Mechanism) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35. The list comprising the details of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time.

Grading of the Issue

No credit agency registered with SEBI has been appointed for grading for the Issue.

Expert

Our Company has not obtained any expert opinions except we have received consent from the Peer Reviewed Auditors of the Company to include their name as an expert in this Draft Red Herring Prospectus in relation to the (a) Peer review Auditors' reports on the restated Audited financial statements; and (b) Statement of Tax Benefits by the Peer review Auditors and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Monitoring Agency

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency for monitoring the utilisation of Net Proceeds prior to filing of the Red Herring Prospectus with the RoC, as the proposed Issue exceeds ₹10,000 lakh.

Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized. Our Company will disclose and continue to disclose details of all monies utilized out of the Issue till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds. Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and also make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the actual utilization of the proceeds of the Issue from the objects of the Issue as stated above.

Appraising Entity

Our Company has not appointed any appraising agency for appraisal of the Project.

Credit Rating

As the Issue is of Equity Shares, credit rating is not required.

Green Shoe Option

No Green Shoe Option is contemplated under this Issue.

Debenture trustees

As the Issue is of Equity Shares, the appointment of debenture trustees is not required.

Type of Issue

Book building, in the context of the Issue, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band which will be decided by our Board, as applicable, in consultation with the BRLM, and the minimum Bid lot, which will be decided by our Board or the IPO Committee, as applicable, in consultation with the BRLM, and advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and all editions of [●] (a widely circulated Urdu newspaper), a regional language newspaper where our Registered Office is located), at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Issue Price shall be determined by our Board in consultation with the BRLM, after the Bid/ Issue Closing Date.

All Investors (other than Anchor Investors) shall mandatorily participate in this Issue only through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bid(s) during the Bid/ Issue Period and withdraw their Bid(s) until Bid/ Issue Closing Date. Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bid/ Issue Period. Except Allocation to Retail Individual Bidders and the Anchor Investors, Allocation in the Issue will be on a proportionate basis. For further details on method and process of Bidding, see "*Issue Procedure*" and "*Issue Structure*" beginning on 317 and 321, respectively.

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Investors should note the Issue is also subject to (i) approval of the regulatory authorities, if any, and (ii) obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/ Issue Closing Date or such other time period as prescribed under applicable law.

Explanation of Book Building Process and Price Discovery Process

For an explanation of the Book Building Process and the price discovery process, see "***Terms of the Issue***" and "***Issue Procedure – Book Building Procedure***" on pages 311 and 322, respectively.

Underwriter

After the determination of the Issue Price, but prior to allocation of Equity Shares and filing of the Prospectus with the RoC, our Company will enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued through the Issue. The extent of underwriting obligations and the Applications to be underwritten by BRLM shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.

Name, Address, Telephone, and Email of the Underwriter	Indicated number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Issue Size Underwritten
[●]	[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and would be decided after the pricing and actual allocation and subject to the provisions of Regulation 40(1) of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with Stock Exchange(s).

Allocation amongst the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to Investors procured by them in accordance with the Underwriting Agreement.

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

Details of the share capital of our Company, as on the date of this Draft Red Herring Prospectus, are set forth below.

(in ₹, except share data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price*
A.	**AUTHORIZED SHARE CAPITAL**		
	2,50,00,000 Equity Shares of face value of ₹10 each	25,00,00,000	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	1,67,44,200 Equity Shares of face value of ₹10 each	16,74,42,000	-
C.	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS#**		
	Issue of up to 62,00,000 Equity Shares of face value of ₹10 each aggregating to ₹[●]	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE***		
	[●] Equity Shares of face value ₹10 each	[●]##	-
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue		-
	After the Issue		[●]

* *Details to be included upon finalization of Issue Price*

** *For details in relation to the changes in the authorised share capital of our Company, see "**History and Certain Corporate Matters – Amendments to our Memorandum of Association**" on page 196.*

\# *The Issue has been authorised by our Board of Directors and our Shareholders pursuant to the resolutions passed at their meetings dated August 29, 2023 and August 30, 2023, respectively.*

\## *Subject to finalization Basis of Allotment.*

Notes to Capital Structure

I. Share Capital History of our Company

Our Company has only one class of share capital i.e., Equity Shares of face value of ₹10 each. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

1. **Equity Share capital**

The history of the Equity Share capital of our Company is set forth in the table below:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
September 4, 2008	2,000	100	100	Cash	Subscription to MOA(1)	2,000	2,00,000
March 26, 2010	7,000	100	100	Other than Cash	Further Issue(2)	9,000	9,00,000
March 31, 2011	1,000	100	100	Cash	Further Issue(3)	10,000	10,00,000

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
March 30, 2013	15,370	100	100	Other than Cash	Further Issue[(4)]	25,370	25,37,000
January 20, 2017	1,26,850	100	N.A	Other than Cash	Bonus issue[(5)]	1,52,220	1,52,22,000
March 2, 2023	Pursuant to shareholders' resolution dated March 2, 2023, each Equity Share of our Company of face value of ₹100 each was split into 10 Equity Shares of face value of ₹10 each. Therefore the issued, paid-up and subscribed share capital of our Company was sub-divided from ₹15,222,000 divided into 1,52,220 Equity Shares of ₹100 each into ₹15,222,000 divided into 1,522,200 Equity Shares of ₹10 each[(6)]						
March 18, 2023	15,222,000	10	N.A	Other than Cash	Bonus issue[(7)]	16,744,200	16,744,2000

(1) Allotment of 1,000 Equity Shares to Sanjay Mehta and 1,000 Equity Shares to Sudhir Mehta pursuant to subscription of MOA.

(2) Allotment of 7,000 Equity Shares to Sanjay Mehta upon conversion of unsecured loan.

(3) Allotment of 1,000 Equity Shares to Chander Sekhar Karnool pursuant to a further issue.

(4) Allotment of 15,370 Equity Shares to Rajeev Mehta upon conversion of unsecured loan.

(5) Allotment of 1,21,750 Equity Shares to Sanjay Mehta, 50 Equity Shares to Anil Kumar Sharma, 50 Equity Shares to Krishan Singh and 5,000 Equity Shares to Sudhir Mehta as Bonus Issue in the ratio 5:1, i.e., five bonus Equity Shares for every one fully paid-up Equity Shares held by the shareholders of the Company.

(6) As per the Companies Act, our Company was supposed to file form SH-7 within 30 days of passing of the shareholders' resolution approving the sub-division. However, as of the date of this Draft Red Herring Prospectus, the form SH-7 for the sub-division of shares has not been filed by our Company with the RoC due to certain technical issues with the form filing portal of the Ministry of Corporate Affairs. Our Company has raised a ticket for the same bearing number FO_202308291087166 dated August 29, 2023 on the portal of the Ministry of Corporate Affairs. But, our Company is yet to receive a resolution for the issue. Our Company has filed the form MGT-14 where in the special resolution for the sub-division of its Equity Shares has been filed to the RoC.

(7) Allotment of 15,210,000 Equity Shares to Sanjay Mehta, 6,000 Equity Shares to Anil Kumar Sharma and 6,000 Equity Shares to Krishan Singh as Bonus Issue in the ratio 10:1, i.e., ten bonus Equity Shares for every one fully paid-up Equity Shares held by the shareholders of the Company.

2. Preference Share Capital

As on the date of this Draft Red Herring Prospectus, our Company does not have any preference share capital.

II. Issue of shares for consideration other than cash or out of revaluation of reserves

Except as set out below, our Company has not issued any Equity Shares for consideration other than cash or out of revaluation of reserves at any time since incorporation.

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
March 26, 2010	7,000	100	100	Conversion of Unsecured Loan[(1)]	Reduction of liability
March 30, 2013	15,370	100	100	Conversion of Unsecured Loan[(2)]	Reduction of liability
January 20, 2017	1,26,850	100	100	Bonus issue in the ratio of 5 bonus Equity Shares for every one Equity Share held in the Company[(3)]	Capitalization of reserves

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
March 18, 2023	15,222,000	10	N.A	Bonus issue in the ratio of 10 bonus Equity Shares for every one Equity Share held in the Company[(4)]	Capitalization of reserves

(1) Allotment of 7,000 Equity Shares to Sanjay Mehta pursuant to Conversion of Unsecured Loan.

(2) Allotment of 15,370 Equity Shares to Rajeev Mehta pursuant to Conversion of Unsecured Loan.

(3) Allotment of 1,21,750 Equity Shares to Sanjay Mehta, 50 Equity Shares to Anil Kumar Sharma, 50 Equity Shares to Krishan Singh and 5,000 Equity Shares to Sudhir Mehta as Bonus Issue in the ratio 5:1, i.e., five bonus Equity Shares for every one fully paid-up Equity Shares held by the shareholders of the Company.

(4) Allotment of 15,210,000 Equity Shares to Sanjay Mehta, 6,000 Equity Shares to Anil Kumar Sharma and 6,000 Equity Shares to Krishan Singh as Bonus Issue in the ratio 10:1, i.e., ten bonus Equity Shares for every one fully paid-up Equity Shares held by the shareholders of the Company.

III. Issue of Equity Shares pursuant to schemes of arrangement

Our Company has not allotted any Equity Shares pursuant to a scheme of amalgamation approved under Section 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

IV. Issue or transfer of Equity Shares under employee stock option schemes

The Company does not have any employee stock option schemes under which any equity shares of the Company is granted. Accordingly, no Equity Shares have been issued or transferred by our Company pursuant to the exercise of any employee stock options.

V. Issue of shares at a price lower than the Issue Price in the last year

The Issue Price for the Equity Shares is ₹[●]. Except for the bonus issue of shares, our Company has not issued any shares in the last year. For details of the allotments made in the last one year, see "***Capital Structure – Share Capital History of Our Company – Equity Share capital***" beginning on page 79.

[*Remainder of the page has been intentionally left blank*]

Shareholding Pattern of our Company

The table below presents the equity shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class: Equity Shares	Total								
(A)	**Promoters and Promoter Group**	5	1,67,31,000	-	-	1,67,31,000	99.92	1,67,31,000	1,67,31,000	99.92	-	-	-	-	-	-	-
(B)	**Public**	2	13,200	-	-	13,200	0.08	13,200	13,200	0.08	-	-	-	-	-	-	-
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	**Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	**7**	**1,67,44,200**	**-**	**-**	**1,67,44,200**	**100**	**1,67,44,200**	**1,67,44,200**	**100**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Other details of shareholding of our Company

As on the date of the filing of this Draft Red Herring Prospectus, our Company has 7 Shareholders.

Set forth below are the details of the build-up of our Promoters' shareholding in our Company since incorporation:

Date of allotment/ acquisition/ transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue Price/Consideration on per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	% of Pre-Issue capital (₹)*(1)	% of Post-Issue capital (₹)
Sanjay Mehta								
September 4, 2008	1,000	100	100	Cash	Subscription to MOA	1,000	Negligible	[●]
March 26, 2010	7,000	100	100	Other than Cash	Further Issue	8,000	Negligible	[●]
March 30, 2012	1,000	100	100	Cash	Transfer of Equity Shares from Chandra Sekhar Karnool	9,000	Negligible	[●]
April 29, 2013	15,370	100	100	Cash	Transfer of Equity Shares from Rajeev Mehta	24,370	Negligible	[●]
March 30, 2016	980	100	100	Cash	Transfer of Equity Shares from Sudhir Mehta	25,350	Negligible	[●]
September 22, 2016	(1,000)	100	100	Cash	Transfer of Equity Shares to Sudhir Mehta	24,350	Negligible	[●]
January 20, 2017	121,750	100	100	N.A	Bonus issue in the ratio of 5 bonus Equity Shares for every one Equity Share held in the Company	146,100	0.73	[●]
July 4, 2018	6,000	100	100	Cash	Transfer of Equity Shares from Sudhir Mehta	152,100	Negligible	[●]
March 2, 2023	Pursuant to its shareholders' resolution dated March 2, 2023, each Equity Share of our Company of face value of ₹100 each was split into 10 Equity Shares of face value of ₹10 each. Therefore, the 152,100 Equity Shares held by Sanjay Mehta of face value ₹100 each were sub-divided into 1,521,000 Equity Shares of ₹10 each							
March 18, 2023	15,210,000	10	N.A.	Other than cash	Bonus Issue	16,731,000	90.84	[●]
June 19, 2023	(800,000)	10	N.A.	Gift	Transfer of Equity Shares to Kavita Sharma	15,931,000	4.78	[●]
June 19, 2023	(800,000)	10	N.A.	Gift	Transfer of Equity Shares to Ashley Mehta	15,131,000	4.78	[●]
June 19, 2023	(800,000)	10	N.A.	Gift	Transfer of Equity Shares to Aleena Mehta	14,331,000	4.78	[●]
June 19, 2023	(100,000)	10	49	Cash	Transfer of	14,231,000	0.60	[●]

Date of allotment/ acquisition/ transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue Price/Consideration per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	% of Pre-Issue capital (₹)*(1)	% of Post-Issue capital (₹)
					Equity Shares to Puneet Pal Singh			
Sub-total (A)	**14,231,000**						**84.99**	**[●]**
Ashley Mehta								
June 19, 2023	800,000	10	N.A.	Gift	Transfer of Equity Shares from Sanjay Mehta	8,00,000	4.78	[●]
Sub-total (B)	**800,000**						**4.78**	**[●]**
Puneet Pal Singh								
June 19, 2023	100,000	10	49	Cash	Transfer of Equity Shares from Sanjay Mehta	100,000	0.60	[●]
Sub-total (C)	**100,000**						**0.60**	**[●]**
Total (A + B + C)	**15,131,000**						**90.37**	**[●]**

**The figures in the row have been rounded-off to the closest decimal.*

#As per the Companies Act, our Company was supposed to file form SH-7 within 30 days of passing of the shareholders' resolution approving the sub-division. However, as of the date of this Draft Red Herring Prospectus, the form SH-7 for the sub-division of shares has not been filed by our Company with the RoC due to certain technical issues with the form filing portal of the Ministry of Corporate Affairs. Our Company has raised a ticket for the same bearing number FO_202308291087166 dated August 29, 2023 on the portal of the Ministry of Corporate Affairs. But, our Company is yet to receive a resolution for the issue. Our Company has filed the form MGT-14 where in the special resolution for the sub-division of its Equity Shares has been filed to the RoC.

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, as on the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)*
1.	Sanjay Mehta	14,231,000	84.99
2.	Ashley Mehta	800,000	4.78
3.	Aleena Mehta	800,000	4.78
4.	Kavita Sharma	800,000	4.78
Total		**16,631,000**	**99.33**

**Rounded off to the closest decimal*

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, as of 10 days prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)*
1.	Sanjay Mehta	14,231,000	84.99
2.	Ashley Mehta	800,000	4.78
3.	Aleena Mehta	800,000	4.78
4.	Kavita Sharma	800,000	4.78
Total		**16,631,000**	**99.33**

**Rounded off to the closest decimal*

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of one year prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)*
1.	Sanjay Mehta	1,52,100	99.92
Total		**1,52,100**	**99.92**

Rounded off to the closest decimal

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of two years prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)*
1.	Sanjay Mehta	1,52,100	99.92
Total		**1,52,100**	**99.92**

Rounded off to the closest decimal

The aggregate shareholding of the Promoters and Promoter group

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Pre-Issue Equity Share capital (%)*	Percentage of the Post-Issue Equity Share capital (%)
Promoters				
1.	Sanjay Mehta	1,42,31,000	84.99	[●]
2.	Ashley Mehta	8,00,000	4.78	[●]
3.	Puneet Pal Singh	1,00,000	0.60	[●]
Promoter Group				
1.	Aleena Mehta	800,000	4.78	[●]
2.	Kavita Sharma	800,000	4.78	[●]
Total		**16,731,000**	**99.92**	[●]

**Rounded off to the closest decimal*

The number of specified securities purchased or sold by the Promoter Group and/ or by the Directors of our Company and their relatives in the preceding six months.

No.	Name of the Shareholder	Date of Purchase/ Sale	Number of Equity Shares	Percentage of the Pre-Issue Equity Share capital (%)
Sold				
Sanjay Mehta				
1.	Transfer of Equity Shares to Kavita Sharma	June 19, 2023	8,00,000	4.78
2.	Transfer of Equity Shares to Ashley Mehta	June 19, 2023	8,00,000	4.78
3.	Transfer of Equity Shares to Aleena Mehta	June 19, 2023	8,00,000	4.78
4.	Transfer of Equity Shares to Puneet Pal Singh	June 19, 2023	1,00,000	0.60
Purchased				
Ashley Mehta				
1.	Purchase of Equity Shares from Sanjay Mehta	June 19, 2023	8,00,000	4.78
Puneet Pal Singh				
1.	Purchase of Equity Shares from Sanjay Mehta	June 19, 2023	1,00,000	0.60
Kavita Sharma				
1.	Purchase of Equity Shares from Sanjay Mehta	June 19, 2023	8,00,000	4.78
Aleena Mehta				
1.	Purchase of Equity Shares from Sanjay Mehta	June 19, 2023	8,00,000	4.78

Details of lock-in

Sanjay Mehta, Ashley Mehta and Puneet Pal Singh are the Promoters of our Company in terms of the SEBI ICDR Regulations and the Companies Act, 2013. Accordingly, in terms of Regulation 14(1) of the SEBI ICDR

Regulations, the said Promoters have complied with the requirement of minimum promoter's contribution in this Issue and in terms of Regulation 16(1)(a) the following Equity Shares are locked in for a period of 18 months pursuant to the Issue.

Name of Promoters	Number of Equity Shares locked-in	Date of allotment of Equity Shares and when made fully paid-up	Nature of transaction	Face Value per Equity Share (₹)	Issue / Acquisition price per Equity Share (₹)	Percentage of the pre-Issue paid-up capital (%)	Percentage of the post- Issue paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
Sanjay Mehta	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Ashley Mehta	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Puneet Pal Singh	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	**[●]**				**[●]**	**[●]**	**[●]**	

The shareholding of the Promoters in excess of 20% of the fully diluted Post-Issue Equity Share capital shall be locked in for a period of 6 months from the date of Allotment.

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations.

In this connection, please note that:

The Equity Shares issued for Promoter's contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction, (ii) Equity Shares resulting from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of minimum Promoter's contribution.

The minimum Promoter's contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being issued to the public in the Issue.

Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm.

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

All the Equity Shares held by our Promoters are in process of being dematerialized and shall be in dematerialised form before filing of the Issue Document i.e. Red Herring Prospectus in term of Regulation 7(1)(c) of ICDR of SEBI ICDR Regulation.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be transferred to the other Promoter or any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons (other than our Promoters) prior to the Issue and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the provisions of the Takeover Regulations.

Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in for a period of 18 months from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that such loans have been granted by such bank or institution for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans, which is not applicable in the context of this Issue.

Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of 6 months from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that pledge of the Equity Shares is one of the terms of sanction of such loans.

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Any Equity Shares allotted to Anchor Investors shall be locked-in for a period of 30 days from the date of Allotment.

Except for the allotment of Equity Shares pursuant to the Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application moneys have been refunded to the Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, undersubscription etc., as the case may be.

Our Company, our Directors and the Book Running Lead Manager have no existing buy-back arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.

All Equity Shares offered pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Neither our Company nor any entities forming part of our Promoter Group has issued any equity shares in the past to more than 49 investors in a single issuance of shares or to more than 200 investors in a single financial year, which is in violation of:

a) Section 67(3) of Companies Act, 1956; or
b) relevant section(s) of Companies Act, 2013, including Section 42 and the rules notified thereunder; or
c) the SEBI ICDR Regulations; or
d) the SEBI (Disclosure and Investor Protection) Guidelines, 2000, as applicable.

As on the date of this Draft Red Herring Prospectus, the Book Running Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

There are no outstanding convertible securities, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.

Our Company shall ensure that transactions in the Equity Shares by the Promoter Group between the date of filing the draft offer documents with the Registrar of Companies and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.

No person connected with the Issue, including, but not limited to, the Book Running Lead Manager, the members of the Syndicate, our Company and Directors shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an Application.

There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

OBJECTS OF THE ISSUE

Our Company proposes to utilize the proceeds from the issue towards funding the following objects and achieve the benefits of listing the Equity Shares on the Stock Exchanges. The Issue comprises of fresh Issue of up to 62,00,000* Equity Shares of our Company at an Issue Price of ₹ [●]/-per Equity Share, aggregating up to ₹[●] lakhs by our Company. The proceeds from the Issue after deducting Issue related expenses are estimated to be ₹[●] lakhs (the "**Net proceeds**").

**Subject to finalisation of allotment*

Our Company proposes to utilize the Net Proceeds from the Issue towards funding the following objects:

1. Funding capital expenditure requirements for the purchase of equipment/machineries;
2. Full or part repayment and/or prepayment of certain outstanding secured borrowings availed by our Company;
3. Funding the working capital requirements of our Company;
4. Investment in Project Specific Joint Venture Projects; and
5. General Corporate Purpose.

(Collectively referred to as **"Objects"**)

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company's visibility and brand image and creation of a public market for our Equity Shares in India. The main objects clause and the objects ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue.

Net Proceeds

The details of the proceeds of the issue are summarized in the table below:

Sr. No.	Particulars	*Estimated Amount (₹In lakhs)
1.	Gross proceeds from the issue	[●]
2.	Less: Issue related expenses**	[●]
Net proceeds of the issue		[●]

***** *To be finalised upon determination of the Issue Price and updated in the Prospectus prior to the filing with the RoC*
***See "Issue Related Expenses" as detailed below*

Requirement of funds and utilization of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details provided in the following table:

(₹ In lakhs)

Sr. No.	Particulars	Estimated Amount
1.	Funding capital expenditure requirements for the purchase of equipment/machineries	4,000.00
2.	Full or part repayment and/or prepayment of certain outstanding secured borrowings availed by our Company	1,000.00
3.	Funding the Working Capital requirement	4,150.00
4.	Investment In Joint Venture Project	1,200.00
5.	General corporate purposes*	[●]
Total utilization of net proceeds		[●]

***To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Issue.*

The fund requirements mentioned above are based on internal management estimates of our Company and have not been verified by the lead manager or appraised by any bank or financial institution or any other external agency. Given the dynamic nature of our business and our Company, we may have to revise the estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In addition, the estimated dates of completion of various plans as described herein are based on management's current expectations and are subject to change due to various factors, some of which may not be in our control. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable law.

In the event of shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing. Furthermore, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Fresh Issue in accordance with Regulation 7(2) of the SEBI ICDR Regulations.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled *"**Risk Factors**"* beginning on page. 32.

Schedule of implementation and Deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ In lakhs)

Sr. No.	Particulars	Total Estimated Cost	Amount already deployed	Estimated utilization of net proceeds in FY 2023-2024	Estimated utilization of net proceeds in FY 2023-2024
1.	Funding capital expenditure requirements for the purchase of equipment/machineries	4,000.00	Nil	2,000.00	2,000.00
2.	Full or part repayment and/or prepayment of certain outstanding secured borrowings availed by our Company	1,000.00	Nil	1,000.00	-
3.	Funding the Working Capital requirement of our Company	4,150.00	Nil	2,875.00	1,275.00
4.	Investment in Joint Venture	1,200.00	Nil	600.00	600.00
5.	General corporate purposes*	[●]	Nil	[●]	[●]
Total		[●]	Nil	[●]	[●]

* *To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Issue*

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2023-24 and 2024-25. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2023-24 is not completely met, the same shall be utilized, in part or full, in the next Financial Year or a subsequent period towards the Objects.

For further details of factors that may affect these estimates, see "***Risk Factors***" on page 32.

Means of Finance

The fund requirements for all the Objects of the Issue are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or through existing identifiable internal accruals.

DETAILS OF THE OBJECTS OF THE ISSUE

Funding capital expenditure requirements for the purchase of equipment/machineries

The business of our Company is growing and we achieved a growth rate of 13.91 % in Financial Year 2023 as compared to Financial Year 2022 and growth of 64.70 % in Financial Year 2022 as compared to Financial Year 2021. As on March 31, 2023, the aggregate gross block value of our Company's property, plant and equipment was ₹6,877.86 lakhs. Our Company had spent ₹1,848.11 lacs in the Financial Year 2023, ₹585.12 lakhs in Financial Year 2022 and ₹1087.32 lakhs in Financial Year 2021 for acquiring the plant and machineries. The capital expenditure towards equipment is of recurring nature and on an ongoing basis, we invest in the procurement of capital equipment, which is utilized by us in carrying out our business, based on our order book and the future requirements estimated by our management.The investment in capital equipment will be for ongoing projects and also for future expansion keeping in mind the development of construction activities and upcoming projects in the Union Territory of Jammu and Kashmir. 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 the border regions, has initiated and are coming up with various infrastructure development projects (*Source: D&B Report*). We believe that we stand benefitted and would further benefit from various government initiatives for infrastructural development in Union Territory of Jammu & Kashmir and Ladakh. In order to capitalise on such rising opportunities, we intend to enhance our execution capacity and therefore propose to utilize ₹4,000.00 lakhs towards purchasing capital equipment, based on our current estimates, the specific number and nature of such equipment to be purchased by our Company will depend on our business requirements and the details of our capital equipment to be purchased from the Net Proceeds which will be suitably updated at the time of filing of the Draft Red Herring Prospectus with the RoC.

An indicative list of such construction equipment that we intend to purchase, along with details of the quotations we have received in this respect is set forth below

Sr. No.	Particulars of machinery	Party Name	Qty.	Total (in ₹ lakhs) (including Tax)	Date of Quotation
1	ABC 120 EcoTec 1 Prefeeder system 2 Drying and heating system 3 Dedusting unit 4 Mixing tower 5 Filler supply 6 Bitumen supply 7 Electrification & microprocessor control 8 Additional equipment	Ammann India Private Limited	1	253.7	05-08-2023
2	Apollo Branded Model: AP 600-TV 4900 (7m) CEV stage 4 - Gas heating screed specification consisting of: • Engine: Ashok Leyland conforming to CEV stage 4 • Engine Power: 95 kW @ 2200 rpm. • Basic Screed: 2.5m • Hydraulically extendable up to 4.9m • Screed heating: Gas. • Bolt on Extension (2 x 1050mm) • Paving Width of 7.0 metres. • Auger Diameter: 355 mm • Automatic Grade & Slope Control(1+1). • Independent drive for Auger & Conveyor.	Ammann India Private Limited	1	103.84	05-08-2023

Sr. No.	Particulars of machinery	Party Name	Qty.	Total (in ₹ lakhs) (including Tax)	Date of Quotation
	• Sonic Sensor for Auger & Conveyor. • Swinging Console arrangement to operate the paver from either side. • Hopper Capacity: 11 Tons. • Fuel Tank: 132 Litres. • Hydraulic Tank: 190 Litres. • Tyre: Front: Solid Tyre:- 4 Nos. 22x 16 x12.(Guide Wheels) Rear : Pneumatic :- 4 Nos. 10 x 20.(Drive on all the Four Rear Wheels).				
3	Epiroc Twin Boom Drill Boomer L2 Scope of Supply for Boomer L2 • 1 x Articulated Carrier L2 with Deutz 4-cylinder, TCD 2013 L04, EPA III/COM III (Tier 3/Stage IIIA) approved 4-stroke diesel engine • 2 x BUT 35 Boom • 2 x BMH 6814 standard feed • 2 x COP 1838HD+ Hydraulic Drifter • 1 x DCS Drilling System (2 x 75 kW Electrical Motors) • 1 x Hyd. Powered GA5 Screw Compressor. • 1 x Hyd. Powered Water Booster Pump • 1 x Set of Working Lights • 1 x Electric cable reel • 1 x Electric cable (~ 60m) • 1 x Service Platform P2 • 1 x FOPS Protective Roof	Epiroc Mining India Limited	2	1121	07-08-2023
4	SDLG Motor Grader-G9138H	Pal Infrastructure Solutions	4	388.12	05-08-2023
5	Volvo Single drum compactor - SD110C	Pal Infrastructure Solutions	4	170.30	05-08-2023
5	Volvo Crawler Excavator-EC210D	Pal Infrastructure Solutions	10	879.12	05-08-2023
6	2828C 6X4 4275 E6.1 DYC16BXHY RG RT HDP YW	PAL Sales & Service Private Limited	14	875.56	05-08-2023
7	Apollo Branded Model: WM 6 –CEV Stage 4 with HES (4.5 mts) screed Specification consisting of:- • Engine: Ashok Leyland conforming to CEV Stage 4 • Engine Power: 74kw @ 2200rpm. • Basic Screed HES: 2.5m • Extendable up to 4.5m • Heating System: Kerosene • Max. Paving Width of 4.5 meters • Paving Thickness :10 -200mm • Paving speed -1.25- 23 mt / min • Travel Speed: 0-16 KMPH • Screed vibration – 0-30hz	Ammann India Private Limited	1	33.04	05-08-2023

Sr. No.	Particulars of machinery	Party Name	Qty.	Total (in ₹ lakhs) (including Tax)	Date of Quotation
	• Auger Diameter: 300 mm. • Hopper Capacity: 4 Cu Mt • Fuel Tank:120 Litres • Hydraulic Tank:80 Litres. • Urea Tank: 24 lts • Tyre : Front: Solid Tyre:- 2nos-558 x 405 x 305 mm Rear : Pneumatic :- 2 nos-12x20 - 18 ply				
8	Apollo Branded Model: AP 550-TV 4500 (5.5m) CEV Stage 4 - Diesel heating Screed consisting of: • Dual application for paving width of 5.5 metres. Engine: Ashok Leyland conforming to CEV Stage 4 Engine Power: 95kw @ 2200rpm. • Basic Screed: 2.5m • Hydraulically extendable up to 4.5m • Bolt on Extension (2 x 625mm) • Heating System: Diesel heating. • Max. Paving Width of 5.75 metres. • Automatic Grade & Slope Control (1+1). • Auger Diameter: 355 mm. • Sonic Sensor for Auger & Conveyor. • Swinging Console arrangement to operate the paver from either side. • Hopper Capacity: 10 Tons. Fuel Tank: 132 Litres Hydraulic Tank: 190 Litres. Tyre : • Front: Solid Tyre:- 4 Nos. 22x 16 x12.(Guide Wheels) • Rear : Pneumatic :- 4 Nos. 10 x 20.(Drive on all the Four Wheels).	Ammann India Private Limited	1	70.80	05-08-2023
9	Ammann Tandem Roller ARX 90.2 CEV IV consisting of: • Operating Weight :9420 Kgs • Engine : Ashok Leyland –model : H4C4742260 , 54 kw • Emission norms according to CEV stage 4 • 2 frequencies (55 hz / 42 hz) / 2 amplitudes (0.35mm / 0.7 mm) vibration system, • Open platform with hard top tiltable canopy • Working speed : 7 kmph • Transport speed : 12 kmph • Ammann color scheme and decals, Back-up alarm, Tool Box, • Water Tank - 1000 Ltr. • PU scrapers - 2 Nos. for each drum • Working head lights front and rear • Water Sprinkling System • Reverse alarm	Ammann India Private Limited	1	31.86	05-08-2023
10	Batching Plant M1C Compartment Batcher	SCHWING Stetter (INDIA) Private	1	76.70	04-08-2023

Sr. No.	Particulars of machinery	Party Name	Qty.	Total (in ₹ lakhs) (including Tax)	Date of Quotation
		Limited			
11	Batching Plant M30Z Compartment Batcher - Pan Mixer	SCHWING Stetter (INDIA) Private Limited	1	42.48	04-08-2023
12	Self Profelled Shotcrete Pump With Boom TSR 30.14	SCHWING Stetter (INDIA) Private Limited	1	265.50	04-08-2023
	Total		**42**	**4,312.02**	

The purchase of equipment/machinery and the proposed deployment is subject to final terms and conditions agreed with the supplier including the finalization of price, payment/credit terms, delivery schedule and other market factors prevailing at that time.

We have not placed the order for the above indicated plant and machineries. Our Company shall not buy second hand machineries. All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. Our Company has not yet finalised the suppliers for above equipment's. The capital expenditure figures are on the basis of estimation by the management and not appraised by any independent entity. For details, see "**Risk Factor - *We have not yet placed orders in relation to the capital expenditure to be incurred for the proposed purchase of equipment / machineries. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment / machineries in a timely manner, or at all, the same may result in time and cost over-runs"*** on page 36.

Further, our Promoters, Promoter Group, Directors, Key Managerial Personnel, Senior Management Personnel and the Group Companies do not have any interest in the proposed acquisition of the equipment/machinery or in the entity from whom we have obtained quotations in relation to such proposed acquisition of the equipment / machinery and our Company has confirmed that such entities do not form part of our Promoter Group or Group Company.

Full or part repayment and/or prepayment of certain outstanding secured borrowings availed by our Company.

Our Company has entered into various financing arrangements to avail terms loans and working capital loans. For details, see section entitled "***Financial Statements***" on page 225.

As on August 31, 2023, the amount outstanding under our loan facilities was ₹2,411.53 lakhs. We propose to utilise an estimated amount of ₹1,000.00 lakhs from the Net Proceeds towards re-payment or pre-payment of borrowings, availed by our Company in full or in part. The repayment/ prepayment, will help reduce our outstanding indebtedness, assist us in maintaining a favourable debt-equity ratio and enable utilisation of some additional amount from our internal accruals for further investment in business growth and expansion. In addition, we believe that since our debt-equity ratio will improve significantly, it will enable us to raise further resources at competitive rates and additional funds or capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future. Given the nature of these borrowings and the terms of repayment/prepayment, the aggregate outstanding borrowing amounts may vary from time to time. Further, the amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. However, the aggregate amount to be utilised from the Net Proceeds towards repayment/ prepayment of certain borrowings, in part or in full, would not exceed ₹10,000 lakhs.

The following table provides details of certain borrowings availed by our Company, which are outstanding as on

August 31, 2023, which are currently proposed to be re-paid or pre-paid, in full or in part, to the extent of ₹1000.00 lakhs from the Net Proceeds:

No.	Name of the Lender	Nature of Borrowing	Sanctioned Amount (₹ in lakhs)	Outstanding as on August 31, 2023 (₹ in lakhs)	Interest Rate (%)	EMI (In Rs.)	Purpose for which loan has been used
1	HDFC Bank Limited	Working Capital	700.00	318.50	8.90 %	NA	To meet Working Capital requirement
2	Jammu and Kashmir Bank Limited	Working Capital	300.00	286.26	RLLR+2.25%	NA	To meet Working Capital requirement
3	ICICI Bank	Working Capital	100.00	54.93	The Rate will be sum of I-MCLR-6M and "Spread" per annum As on date the I-MCLR-^M is 8.70% and spread is 0.80%	NA	To meet Working Capital requirement
4	Yes Bank	Working Capital	190.00	48.26	Effective Rate of Interest (ROI) is 9.50% p.a. which is 3.00% (Spread / Markup) over and above the External Benchmark Lending Rate	NA	To meet Working Capital requirement
5	Kotak Mahindra Bank Limited	Commercial Equipment	47.70	46.31	9.35%	1,55,700	For purchase of Plant and Machinery
6	Kotak Mahindra Bank Limited	Commercial Equipment	105.38	102.36	10.00%	3,44,250	For purchase of Plant and Machinery
7	HDFC Bank Limited	Commercial Equipment	97.98	95.68	9.2 %	3,04,264	For purchase of Plant and Machinery
8	HDFC Bank Limited	Commercial Equipment	7.87	7.51	8.5%	24,687	For purchase of Plant and Machinery
9	ICICI Bank Limited	Commercial Equipment	69.16	38.73	8.76 %	2,19,050	For purchase of Plant and Machinery
10	HDFC Bank Limited	Commercial Equipment	461.51	419.95	8.50%	16,24,444	For purchase of Plant and Machinery
11	HDFC Bank Limited	Commercial Equipment	229.71	195.68	8.40%	9,18,840	For purchase of Plant and Machinery
12	ICICI	Commercial	76.62	59.72	7.90%	1,86,	For purchase of

No.	Name of the Lender	Nature of Borrowing	Sanctioned Amount (₹ in lakhs)	Outstanding as on August 31, 2023 (₹ in lakhs)	Interest Rate (%)	EMI (In Rs.)	Purpose for which loan has been used
	Bank Limited	Equipment				856	Plant and Machinery
13	ICICI Bank Limited	Commercial Equipment	54.50	48.55	8.30%	1,11, 469	For purchase of Plant and Machinery
14	HDFC Bank Limit ed	Commercial Equipment	65.47	53.25	8.50 %	1,63, 557	For purchase of Plant and Machinery
15	TATA Capital Financial Services Limited	Commercial Equipment	21.88	9.52	9.5 %	1,24, 512	For purchase of Plant and Machinery
16	TATA Capital Financial Services Limited	Commercial Equipment	178.12	28.08	9.5 %	14,81 ,853	For purchase of Plant and Machinery
17	HDFC Bank Limited	Commercial Equipment	56.15	42.29	9.20 %	1,39, 000	For purchase of Plant and Machinery
18	HDFC Bank Limited	Motor Vehicle	10.00	8.79	7.60 %	22,09 4	For purchase of Plant and Machinery
19	HDFC Bank Limited	Motor Vehicle	62.08	36.67	7.09 %	18,62 00	For purchase of Plant and Machinery
20	HDFC Bank Limited	Motor Vehicle	28.62	17.00	7.05 %	86,30 0	For purchase of Plant and Machinery
21	ICICI Bank Limited	Commercial Equipment	19.00	9.48	7.25 %	58,83 7	For purchase of Plant and Machinery
22	TATA Capital Financial Services Limited	Term Loan	75.55	75.55	9.0%	56,66 3	For purchase of Plant and Machinery
23	HDFC Bank Limited	Commercial Equipment	29.50	15.15	7.09 %	89,00 0	For purchase of Plant and Machinery
24	TATA Capital Financial Services Limited	Commercial Equipment	136.38	55.86	8.22 %	4,50, 587	For purchase of Plant and Machinery
25	HDFC Bank Limited	Commercial Vehicle / Equipment	98.72	27.66	9.07 %	2,41, 945	For purchase of Plant and Machinery
26	ICICI Bank Limited	Commercial Equipment	40.00	13.23	8.00 %	1,25, 125	For purchase of Plant and Machinery
27	HDFC	Commercial	90.59	19.85	8.05 %	2,91,	For purchase of

No.	Name of the Lender	Nature of Borrowing	Sanctioned Amount (₹ in lakhs)	Outstanding as on August 31, 2023 (₹ in lakhs)	Interest Rate (%)	EMI (In Rs.)	Purpose for which loan has been used
	Bank Limited	Equipment				250	Plant and Machinery
28	Axis Bank Limited	Motor Vehicle	99.54	41.44	8.95 %	2,46,529	For purchase of Plant and Machinery
29	HDFC Bank Limited	Commercial Equipment	29.00	5.48	8.28 %	93,550	For purchase of Plant and Machinery
30	ICICI Bank Limited	Commercial Equipment	300.00	54.89	7.7 %	9,35,547	For purchase of Plant and Machinery
31	TATA Capital Financial Services Limited	Commercial Vehicle / Equipment	61.75	12.25	10.53 %	2,10,416	For purchase of Plant and Machinery
32	Axis Bank Limited	Motor Vehicle	21.27	8.40	8.80 %	52,717	For purchase of Plant and Machinery
33	TATA Capital Financial Services Limited	Commercial Vehicle / Equipment	44.02	15.25	10.19%	1,16,003	For purchase of Plant and Machinery
34	TATA Capital Financial Services Limited	Commercial Vehicle / Equipment COVID LOAN	30.59	13.05	10.5%	99,412	For purchase of Plant and Machinery
35	Axis Bank Limited	Motor Vehicle	89.67	22.92	9.0%	2,25,520	For purchase of Plant and Machinery
36	TATA Capital Financial Services Limited	Commercial Vehicle / Equipment	90.85	21.47	11.78 %	2,50,451	For purchase of Plant and Machinery
37	HDFC Bank Limited	Commercial Vehicle / Equipment	79.67	1.23	8.78 %	2,58,700	For purchase of Plant and Machinery
38	HDFC Bank Limited	Commercial Vehicle / Equipment	365.00	69.88	8.95%	9,16,700	For purchase of Plant and Machinery
39	Axis Bank Limited	Commercial Vehicle / Equipment	28.15	5.21	9.15%	58,642	For purchase of Plant and Machinery
40	Axis Bank Limited	Commercial Vehicle / Equipment	112.81	5.24	9.15%	3,29,497	For purchase of Plant and Machinery
		TOTAL		**2411.53**			

In accordance with clause 9(A) (2) (b) of Part A of Schedule VI of the SEBI ICDR Regulations , the Statutory Auditor of our Company, Satynedra Mrinal & Associates, Chartered Accountants, pursuant to their certificate dated September 25, 2023 have certified the utilization of the above-mentioned borrowings for the purposes for which such borrowings were availed.

Further, our Company has obtained written consents from HDFC Bank Limited, Jammu and Kashmir Bank limited, ICICI Bank Limited and Yes Bank Limited for the purposes of undertaking the Issue, however no none of our financing facility agreement contains any clause pertaining to obtaining prior consent for undertaking the Issue. such consent was required to be obtained under the terms and conditions of their respective financing documents.

Some of our financing agreements may provide for levy of prepayment penalties, including penalties as may be specified by the lender at its discretion. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, such prepayment penalties shall be paid by our Company out of its internal accruals.

Funding the working capital requirements of our Company

Our Company proposes to utilise ₹4150.00 lakhs from the Net Proceeds towards funding its working capital requirements in Financial Year ending March 31, 2024 and March 31, 2025.

Our Company is in the infrastructure business and is involved in construction of roads, tunnels, etc. 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. As on the date of this Draft Red Herring Prospectus, we meet our working capital requirements in the ordinary course of its business from capital, internal accruals, unsecured loans, working capital loans, from the Banks etc.

In recent years, the business of our Company has grown substantially. Our Company had achieved revenue from operations of ₹ 30,029.08 lakhs in Financial Year 2023, ₹26,361.14 lakhs in Financial Year 2022 and ₹16,005.89 lakhs in Financial Year 2021, representing 13.91%, year-on-year growth and 64.70 % year-on-year growth in Financial Year 2023 and Financial Year 2022, respectively. The Order Book of our Company as on September 15, 2023 is ₹70,788.00 lakhs. Considering the growth of our Company, we will require additional working capital to fund our growth. 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.

Basis of estimation of working capital requirement and estimated working capital requirement:

(₹ In lakhs)

Particulars	31.03.2021 Audited	31.03.2022 Audited	31.03.2023 Audited	31.03.2024 Provisional	31.03.2025 Provisional
Work in progress	466.25	842.56	1,036.69	902.76	1,167.84
Trade Receivables	2,254.03	1,621.29	1,537.93	2,465.75	3,287.67
Cash and Bank Balances (without Margin Money Deposit)	706.17	833.55	1,201.87	2,006.17	2,116.78
Margin Money Deposit	878.67	831.8	864.72	1,125.00	1,500.00
Investments	433.36	227.83	678.98	1,000.00	1250
Loans	109.45	109.36	439.98	100.00	120
Other Financial assets	3,230.31	4,467.19	3,827.08	4,600.00	4800
Other Current Assets	4.65	4.82	22.61		
Total	**8,082.89**	**8,938.4**	**9,609.86**	**12,199.68**	**14,242.29**
Less:					
Trade Payables	4,219.68	2,720.13	1,115.49	1,726.03	2,301.37
other Current Liabilities	181.53	149.93	636.77	700.00	800
Provisions	949.16	1,483.17	800.81	1,000.00	1200
Total Liabilities	**5,350.37**	**4,353.23**	**2,553.07**	**3,426.03**	**4,301.37**
Net Working Capital	27,32.52	4,585.17	7,056.79	8,773.66	9,940.92
Less: Bank Borrowings	309.9	543.34	1,158.13		
Balance	2,422.62	4,041.83	5,898.66	8,773.66	9,940.92

Particulars	31.03.2021 Audited	31.03.2022 Audited	31.03.2023 Audited	31.03.2024 Provisional	31.03.2025 Provisional
Financed through Capital Internal Cash Accruals	2,422.62	4,041.83	5,898.66	5,898.66	5,790.92
Fund from IPO				2,875.00	4,150.00
Balance					1,275.00

As certified by our Statutory Auditors vide certificate dated September 25, 2023 and as approved by the Board of Directors of our Company pursuant to its resolution dated September 25, 2023.

Constituents of Working capital

Inventory: The inventory includes the Work in progress. The amount of work done in the project and the final bill is not submitted to the client at the end of the year is valued and included in the Inventory.

Receivables: The Balance amount outstanding from the clients after receiving the payment against the invoices raised.

Cash and Bank Balance: The Company is working on various projects and on various locations. The bank accounts are opened in various places and most of the purchases which are not supplied by the head office are required to be made from the location and also the wages are to be paid weekly at the various projects. The bank balance is maintaining bank balance in various branches of the bank for smooth operation.

Margin Money Deposit: The Margin Money deposit is the deposit given to the banks for providing the non-fund based limits Viz. Bank Guarantees. The Company has to provide the bank guarantee to the client on awarding the work to the company. Bank generally need margin money for giving bank guarantee and the margin money deposit is the fixed deposits with the bank and marked lien on the same for providing the bank guarantee.

Investment: Current Investment includes the Contribution by the Company by way of capital in Joint venture Projects.

Other Financial Assets: Other Financial assets includes performance deposit, Security Deposit, Earnest Money Deposit and other deposits. All the deposits are required to be given in the contracts awarded to the Company. The funds are blocked as per the terms of the contract and they will increase with the increase in the contracting business.

Trade Payables: Trade payables are the outstanding amount to third party vendor for supply of goods and services to the Company. It is short time liabilities of the Company and has to be paid as per terms of the purchase of goods and services.

Other Current Liabilities: Other current liabilities include the security deposit which is short term liability to be paid within short time.

Provisions: The expenses of the current year for the last month of the period which are yet to be paid and the provision for the income tax are included under this heading.

Assumptions for working capital requirements.

Particulars	No. of Days outstanding or holding level as on			F.Y. 2023-24 (current year)	F.Y. 2024-25 (Estimated)	Justification for Holding
	F.Y. 2020-21	F.Y.2021-22	F.Y.2022-23			
Work In progress	11	12	13	10	10	Estimate for 2023-24 and for 2024-25 is on the basis of past work in progress of last three years.
Trade	51	22	19	20	20	Estimate for 2022-23

Particulars	No. of Days outstanding or holding level as on			F.Y. 2023-24 (current year)	F.Y. 2024-25 (Estimated)	Justification for Holding
	F.Y. 2020-21	F.Y.2021-22	F.Y.2022-23			
Receivables						and for 2024-25 is on the basis of last two FY 2022 and 2023. The Trade receivables in the FY 2021 are high due to Covid-19. It was exceptional year and we have not considered the same for estimation for the FY 2024 and FY 2025.
Trade Payables	139	54	19	20	20	Estimate for FY 2022-23and CY 2024-25 is on the basis of Average credit available in the Market and policy of the Company to get the competitive price by availing lesser credit period. The Trade payable for the FY 2021 are high on account of Covid 19. It was exceptional year and we have not considered the same for estimation for the FY 2024 and FY 2025.

As certified by our Statutory Auditors vide certificate dated September25, 2023 and as approved by the Board of Directors of our Company pursuant to its resolution dated September25, 2023.

Investment in Joint venture Projects

Our Company is primarily engaged in the business of construction of infrastructure projects of Government and Public Sector Undertakings in the Union Territory of Jammu & Kashmir and Ladakh. The construction work are primarily taken by our Company on EPC basis. We undertake contracts independently or whenever required, through our project-specific joint ventures with other infrastructure and construction entities. Since incorporation, our Company, independently and through project-specific joint ventures, has completed thirty-seven (37) projects. Out of the thirty-seven (37) projects executed by our Company, eight (8) projects have been executed through project specific joint ventures. As on September 15, 2023, our order book consists of twenty-one (21) infrastructure construction projects, out of which six (6) infrastructure construction projects are being executed with our project-specific joint ventures. For details, see "***Our Completed Projects - Business***", "***Our Order Book – Business***", and "***Our Joint Ventures – Business" on page 172***, 173 and 176 respectively.

Our Company and Rajinder Infrastructure Private Limited have formed a project specific joint venture with the name SRM- Rajinder Projects ("**SRM Rajinder JV**") by entering into an agreement dated March 25, 2022, for jointly bidding for the Construction of Realignment between Pandrass- Pashkyum (Net Length-27.10 Km) on Road Zozila-Kargil-Leh (Nh-1) To 2 Lane Specifications i.e., Drass Realignment (9.30 Km), Kharboo Realignment (6.30 Km) & Kargil Alignment (11.50 Km) Under Project Vijayak (BRO) in the U.T. of Ladakh under BRO on EPC mode. The said work was awarded to SRM Rajinder JV on February 13, 2023 and SRM Rajinder JV entered into

Contract with Boarder Road Organization on April 24, 2023 for the execution of the work. Our Company is the lead member of the JV with 51% of share and Rajinder Infrastructure holds 49% of shares in the JV. In order to fund the execution of the said Project, we intend to intend to infuse ₹1,200.00 lakhs as investment in SRM Rajinder JV from the Issue Proceed. The deployment of Net Proceeds shall be on a need basis over the course of the Financial Year 2024 and Financial Year 2025. The form of infusion of such amount allocated for this object will be has not been decided as on date and shall be decided by our Board in compliance with applicable law after considering certain commercial and financial factors. Such infusion will facilitate execution of the said work and further enhance our pre-qualification to bid in new projects of higher work value.

General corporate purposes

In terms of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25.00% of the proceeds of the issue.

Our management will have flexibility in applying ₹ [●] lakhs of the Net Proceeds towards general corporate purposes. The general corporate purposes for which our Company proposes to utilize Net Proceeds include, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- strategic initiatives
- brand building and strengthening of marketing activities;
- further capital expenditure;
- ongoing general corporate exigencies; and
- any other purposes as approved by the Board not in nature of working capital and subject to compliance with the necessary regulatory provisions.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately [●] lakhs. The expenses of this include, among others, underwriting and lead manager fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated issue expenses are as follows:

Expenses*	Estimated expense*(₹ in lakhs)	As a % of the total estimated Issue expenses	As a % of the total Issue Size
Fees payable to the BRLM and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Issue and fee payable to the Sponsor Bank for Bids made by RIBs. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, CRTAs and CDP(1)(2)(3)(4)	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fee payable to auditors, consultants and market research firms	[●]	[●]	[●]

Expenses*	Estimated expense*(₹ in lakhs)	As a % of the total estimated Issue expenses	As a % of the total Issue Size
Fees to regulators, including Stock Exchanges	[●]	[●]	[●]
Others (i) Listing fees, SEBI, BSE and NSE processing fees, book building software fees and other regulatory expenses; (ii) Printing and distribution of stationery; (iii) Fees payable to the Registrar to the Issue; (iv) Fees payable to Legal Counsel; and (v) Miscellaneous.	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**Issue expenses excludes applicable taxes, where applicable. Issue expenses will be incorporated at the time of filing of the Prospectus. Issue expenses are estimates and are subject to change*

Notes

(1) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows:

*Portion for Retail Individual Bidders**	*[●] % of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE

No processing fees/uploading charges shall be payable by our Company to the SCSBs on the applications directly procured by them.

SCSBs will be entitled to a processing fee for processing the ASBA Form procured by the members of the Syndicate (including their sub-syndicate members), CRTAs or CDPs from Retail Individual Investors, Eligible Employees and Non-Institutional Bidders and submitted to the SCSBs for blocking as follows:

*Portion for Retail Individual Bidders**	*₹[●] per valid ASBA Forms (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹[●] per valid ASBA Forms (plus applicable taxes)*

**Based on valid ASBA Forms*

(2) The processing fees for applications made by UPI Bidders using the UPI Mechanism would be as follows: Sponsor Bank will be entitled to processing fee of ₹[●] per valid ASBA Form for Bids made by RIIs using the UPI Mechanism. The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, amendments, the Syndicate Agreement and other applicable laws.

(3) Brokerage, selling commission and processing/ uploading charges on the portion for UPI Bidders (using the UPI Mechanism), RIIs and NIIs which are procured by the members of the Syndicate (including their sub-syndicate members), CRTAs, CDPs or for using 3-in1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-syndicate members) would be as follows:
**Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price*

*Portion for Retail Individual Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*

The selling commission payable to the Syndicate/ sub-syndicate members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-syndicate member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate/ sub-syndicate member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate/ sub-syndicate member.

The payment of selling commission payable to the sub-brokers / agents of sub-syndicate members are to be handled directly by the respective sub-syndicate member.

The selling commission payable to the CRTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

Uploading charges/ processing charges of ₹[●]/- per valid application (plus applicable taxes) are applicable only in case of bid uploaded by the members of the Syndicate, CRTAs and CDPs:

- *for applications made by Retail Individual Investors using the UPI Mechanism*

Uploading Charges/ Processing Charges of ₹[●]/- per valid application (plus applicable taxes) are applicable only in case of bid uploaded by the members of the Syndicate, CRTAs and CDPs:

- *for applications made by Retail Individual Investors using 3-in-1 type accounts*
- *for Non-Institutional Investor Bids using Syndicate ASBA mechanism / using 3- in -1 type accounts,*

The Bidding/uploading charges payable to the Syndicate/Sub-Syndicate Members, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE

(4) Selling commission payable to the registered brokers on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured by the Registered Brokers and submitted to SCSB for processing would be as follows: Portion for Retail Individual Investors and Non-Institutional Investors: ₹[●]/- per valid ASBA Form (plus applicable taxes).

(5) The processing fees for applications made by the UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any other subsequent SEBI Circular.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only with one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus which are proposed to be repaid from the Net Proceeds.

Appraisal Report

None of the objects for which the Issue Proceeds will be utilized have been financially appraised by any financial institutions / banks.

Monitoring Utilization of Funds

Our Company will appoint a monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations prior to the filing of the Draft Red Herring Prospectus. Our Board and the monitoring agency will monitor the utilisation of the Net Proceeds, and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations.

Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay.

Our Company will disclose the utilisation of the Net Proceeds, including interim use, under a separate head in our balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, for any amounts that have not been utilised. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 18(3) and Regulation 32(3) of the Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. Further, in terms of Regulation 32(6) of the Listing Regulations, our Company is required to submit to the Stock Exchange for any comments or report received from the Monitoring Agency, within 45 days from the end of each quarter. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above. The explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or Key Managerial Employees. Our Company has not entered into or is not planning to enter into any arrangement / agreements with Promoters, Directors, key management personnel, associates or Group Companies in relation to the utilization of the Net Proceeds of the Issue.

Other Confirmation

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

BASIS FOR THE ISSUE PRICE

The 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 times the face value at the lower end of the Price Band and [●] 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 32, 225, 273 and 162 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 stabilisation works in the difficult terrain of union territory of Jammu and Kashmir.
- Efficient 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 167.

Quantitative Factors

Some of the information presented below relating to the Company is based on the Restated Financial Statements.

Some of the quantitative factors which form the basis or 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
Weightage Average EPS	**6**	**80.46**	**80.46**

Notes

(a) *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*

(b) *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*

(c) *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}*

(d) *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 Ind AS 33-Earning per share.*

(e) *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 ₹[●] to ₹[●] per Equity Share of ₹10.00 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	[●]	[●]
Based on weighted Average Basic and diluted	[●]	[●]

**Will be included in the Prospectus.*

Industry Peer Group P/E ratio

Particulars	Industry P/E
Highest	32.72
Lowest	12.37
Industry Average	22.54

***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	39.55	2
March 31, 2023	29.68	3
Weighted Average		28.21%

***Note**: Return on Networth has been calculated as per the following formula:*
1) *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 Shares ("NAV")

Net Asset Value per equity share	(in ₹)
As at March 31, 2023	37.72
After the completion of the Issue:	
a) At Floor Price	[●]
b) At Cap price	[●]
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 or 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 Contactors Limited	[●]	90.82	90.82	[●]	30.14	37.72	10	30,065.09
Listed peers								
Man Infraconstruction limited	146.30	4.47	4.47	32.72	14.61	30.60	2	88,096.76
ITD cementation India Limited	226.50	7.23	7.23	31.32	10.04	72.04	1	470058.03

Companies	CMP*	EPS (Basic) (₹)	EPS (Diluted) (₹)	PE Ratio	RONW (%)	NAV (Per Share)	Face Value	Total Income (₹ in Lakhs)
Likhitha Infrastructure Limited	307.35	15.22	15.22	20.19	24.01	63.39	5	35861.52
Udayshivakumar Infra Ltd	35.86	2.90	2.90	12.37	11.13	26.05	10	28790.71

Source: *All the financial information for listed industry peers mentioned above 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:

a) P/E Ratio has been computed based on the closing market price of equity shares on BSE on September 15, 2023, divided by the Diluted EPS.

b) 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 e Net worth of the Company.

c) 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.

d) 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 Ind AS 33-Earning per share

e) Considering the nature and size of the business of our Company the peers are not strictly comparable. However, above company is included for broad comparison.

f) CMP of the peer group as on September 15, 2023 is as per the closing price as available on www.bseindia.com

g) P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on September 15, 2023 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 September 25, 2023. Further, the Audit Committee has on September 25, 2023 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 Draft 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 September 25, 2023 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 Financial Years ended March 31, 2023, 2022 and 2021 is set out below:

Financial KPI of our Company

(₹ in lakhs, unless stated otherwise)

Parameter	Financial Year 2023	Financial Year 2022	Financial Year 2021
Total income	30,065.09	26,550.88	16,194.74
Total revenue from operations (in ₹)	30,029.08	26,361.14	16,005.89
Current Ratio	2.05	1.56	1.23
EBIDTA	3,865.67	3,201.28	1,832.82
EBIDTA Margin (in %)	12.87 %	12.14%	11.45%
Net Profit for the Year	1,874.62	1,756.77	827.28
Net Profit Margin (in %)	6.24%	6.66 %	5.17%
Return on Net Worth (in %)	34.85%	49.30%	36.43%
Return on Capital Employed (in %)	35.04%	42.16%	31.17%
Debt-Equity Ratio	0.75	0.71	1.19

Parameter	Financial Year 2023	Financial Year 2022	Financial Year 2021
Debt Service Coverage Ratio	3.26	3.25	3.68

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

Notes:

(a) *Total income includes revenue from operation and other income*

(b) *Revenue from operations represents the Contact receipt income from the projects executed by the Company as recognized in the Restated financial information.*

(c) *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.*

(d) *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.*

(e) *EBITDA margin is calculated as EBITDA as a percentage of total income.*

(f) *Net Profit for the year represents the restated profits of our Company after deducting all expenses.*

(g) *Net Profit margin is calculated as restated profit & loss after tax for the year divided by total income.*

(h) *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.*

(i) *Return on capital employed 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).*

(j) *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.*

(k) *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
EBIDTA 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 September 25, 2023

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 utilisation 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

(*As on March 31, 2023*) (*₹ in Lakhs*)

No.	Key Performance Indicators	SRM Contractors Limited	Man Infraconstruction Limited	ITD cementation India Limited+	Likhitha Infrastructure Limited	Udayshiva kumar Infra Limited
1.	Total Income	30,029.08	88,096.76	470,058.03	35,861.52	28,790.71
2.	Current Ratio	2.05	3.87	1.00	5.59	1.62
3.	Debt Equity Ratio	0.75	0.01	0.60	0.18	0.31
4.	EBDITA	3,865.68	22,008.55	44,583.48	8,501.48	4,277.12
5.	Operating EBDITA Margin	12.87	24.98	9.48	23.71	14.86
6.	Net Profit	1,874.62	16,598.86	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.bseindia.com and www.nseindia.com

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

Notes:

(a) *Total income includes revenue from operation and other income*

(b) *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*

(c) *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.*

(d) *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.*

(e) *EBITDA margin is calculated as EBITDA as a percentage of total income.*

(f) *Net Profit for the year represents the restated profits of our Company after deducting all expenses.*

(g) *Net Profit margin is calculated as restated profit & loss after tax for the year divided by total income.*

(h) *Return on Equity 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.*

(i) .

(j) *Return on capital employed 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"),

(a) 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 that 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) 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)
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 equal to or 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 Shareholder(s) having the right to nominate director(s) 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 Draft 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 transaction(s) 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 (₹ [●])*	Cap Price (₹ [●])*
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 transaction/s 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 or shareholder(s) having the right to nominate director(s) 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 transaction/s 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.

*To be updated after finalization of issue price

(d) Explanation for Issue Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) along with our Company's key performance indicators and financial ratios for the Financial Years ended

March 31, 2023, 2022 and 2021. [●]*

***To be included on finalization of price band

(e) Explanation for Issue Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) in view of the external factors which may have influenced the pricing of the Issue.

[●]*

*To be included on finalization of price band

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SRM CONTRACTORS LIMITED ("THE COMPANY"), THE SHAREHOLDERS OF THE COMPANY AND ITS SUBSIDIARY UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA

To,
The Board of Directors
SRM Contractors Limited
Sector-3 Near BJP Head Office,
Trikuta Nagar
Jammu 180012, India

Dear Sirs,

Re: Proposed public issue of equity shares of face value of Rs. 10/- each (the "Equity Shares") of SRM Contractors Limited (the "Company") (the "Issue")

Sub.: Statement of possible Special Tax Benefits available to the Company, its equity shareholders and its subsidiary under the direct and indirect tax laws

We refer to the proposed initial public Issuing of equity shares (the "Issue") of the Company. We enclose herewith the statement (the "Annexure") showing the current position of special tax benefits available to the Company, to its shareholders and its subsidiaries as per the provisions of the Indian direct and indirect tax laws including the Income-tax Act, 1961,("Act") the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively the "Taxation Laws") including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2022-23 relevant to the financial year 2021-22 for inclusion in the Draft Red Herring Prospectus ("DRHP") for the proposed initial public Issuing of shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

Following are the subsidiaries of the Company:
1. Loran Valley Power Project Private Limited;
2. SP Mangal Murti Enterprises Private Limited.

Several of these benefits are dependent on the Company or its shareholders or its subsidiaries fulfilling the conditions prescribed under the relevant provisions of the direct and indirect taxation laws including the Income-tax Act 1961. Hence, the ability of the Company or its shareholders or its subsidiaries to derive these direct and indirect tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultants, with respect to the specific tax implications arising out of their participation in the Issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this statement.

The contents of the enclosed Annexure are based on the representations obtained from the Company and its subsidiaries and on the basis of our understanding of the business activities and operations of the Company and its subsidiaries.

We do not express any opinion or provide any assurance whether:
- The Company or its Shareholders or its subsidiaries will continue to obtain these benefits in future;

- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

This statement is provided solely for the purpose of assisting the Company in discharging its responsibilities under the ICDR Regulations.

We hereby give our consent to include this report and the enclosed Annexure regarding the tax benefits available to the Company, its Shareholders and its Subsidiaries in the DRHP for the proposed initial public Issue of equity shares which the Company intends to submit to the Securities and Exchange Board of India and the National Stock Exchange of India Limited and BSE Limited (the "Stock Exchanges") where the equity shares of the Company are proposed to be listed, as applicable, provided that the below statement of limitation is included in the DRHP, RHP and Prospectus.

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, the Preliminary International Wrap/Issuing Memorandum, the Abridged Prospectus and any other addendum thereto of the Company to be submitted/filed with the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies, Jammu & Kashmir at Jammu ("ROC") and the stock exchanges, or any other material (including in any corporate or investor presentation made by or on behalf of the Company) to be issued in relation to the Issue (together referred as "Issue Documents") or in any other documents in connection with the Issue

All capitalized terms not defined hereinabove shall have the same meaning as defined in the Issue Documents.

For **Satyendra Mrinal & Associates**
Chartered Accountants
(Firm Registration No. 017068N)

Amit Gupta
Partner
Membership No. 505172
Place: Jammu
Date: September 25, 2023

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SRM contractors Limited ("COMPANY"), THE SHAREHOLDERS OF THE COMPANY ("SHAREHOLDERS") AND ITS SUBSIDIARIES

Outlined below are the possible special tax benefits available to Company and its shareholders under Income Tax Act 1961("the Act") presently in force in India.

A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE ACT")

The Company is not entitled to any special tax benefits under the Act.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

The Shareholders of the Company are not entitled to any special tax benefits under the Act

Note:

- The above statement of Direct Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.
- The above statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.
- Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION – IV ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "**Industry Report on Roads & Tunnels Infrastructure in India - Additional Focus on Union Territory of Jammu & Kashmir and Ladakh**" dated September, 28 2023" (the "**D&B Report**") prepared and issued by Dun & Bradstreet Information Services India Private Limited appointed by us on August 6, 2023, and exclusively commissioned and paid for by us in connection with the Issue. D&B India is an independent agency which has no relationship with our Company, our Promoters and any of our Directors or KMPs or SMPs. The data included herein includes excerpts from the D&B Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the D&B Report is available on the website of our Company at www.srmcpl.com until the Bid/Issue Closing Date.*

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Global Macroeconomic Scenario

The global economy is now showing signs of moderate recovery as it posted a growth of 3.3% in CY 2022. But GDP growth will remain at a moderate level of 2.7% in CY 2023 and forecasted to improve to 2.9% in CY 2024. Global banks were carrying a historically high debt burden after COVID. Central banks took tight monetary measures to control inflation and spike in commodity prices. Russia's war with Ukraine further affected the global supply chains and inflated the prices of energy and other food items. These factors coupled with war-related economic sanctions impacted the economic activities in Europe. Any further escalation in the war may further affect the rebound of the economy in Europe.

While China was facing a crisis in the real estate sector and prices of properties were declining, with the reopening of the economy, consumer demand is picking up again. The Chinese authorities have taken a variety of measures, including additional monetary easing, tax relief for corporates, and new vaccination targets for the elderly. The government has also taken steps to help the real estate sector including cracking down on debt-ridden developers, announcing stimulus for the sector and measures to encourage the completion and delivery of unfinished real estate projects. The sector is now witnessing investments from developers and demand from buyers.

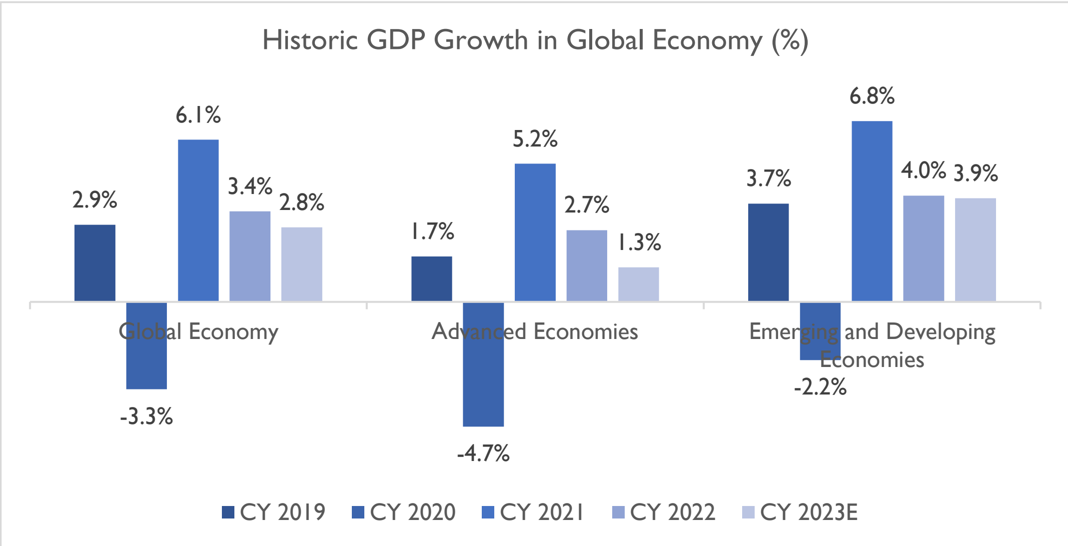
Global headline inflation is set to fall from 8.7 % in CY 2022 to 7.0 % in CY 2023, primarily on the back of softening commodity prices. Most of the central banks in the world has been increasing interest rates since CY 2021 to control inflation, and this is having an impact. With the sharp rise in policy rates, vulnerabilities in the banking sector have come into focus. Fears of contagion have risen across the broader financial sector, including non-banking financial institutions with regulators taking action to stabilize the banking system.

Global GDP Growth Scenario

The global economy started to rise from its lowest levels after countries started to lift the lockdown. The pandemic lockdown was a key factor as it affected economic activities resulting in a recession in the year CY 2020, as the GDP growth touched -3.3%.

In CY 2021 disruption in the supply chain affected most of the advanced economies as well as low-income developing economies. The rapid spread of Delta and the threat of new variants in mid of CY 2021 further increased uncertainty in the global economic environment.

Global economic activities experienced a sharper-than-expected slowdown in CY 2022. One of the highest inflations in decades forced most of the central banks to tighten their fiscal policies. Russia's invasion of Ukraine affected the global food supply resulting in a further increment in the cost of living. As a result, global growth declined from 6.1% in CY 2021 to 3.4% in CY 2022.

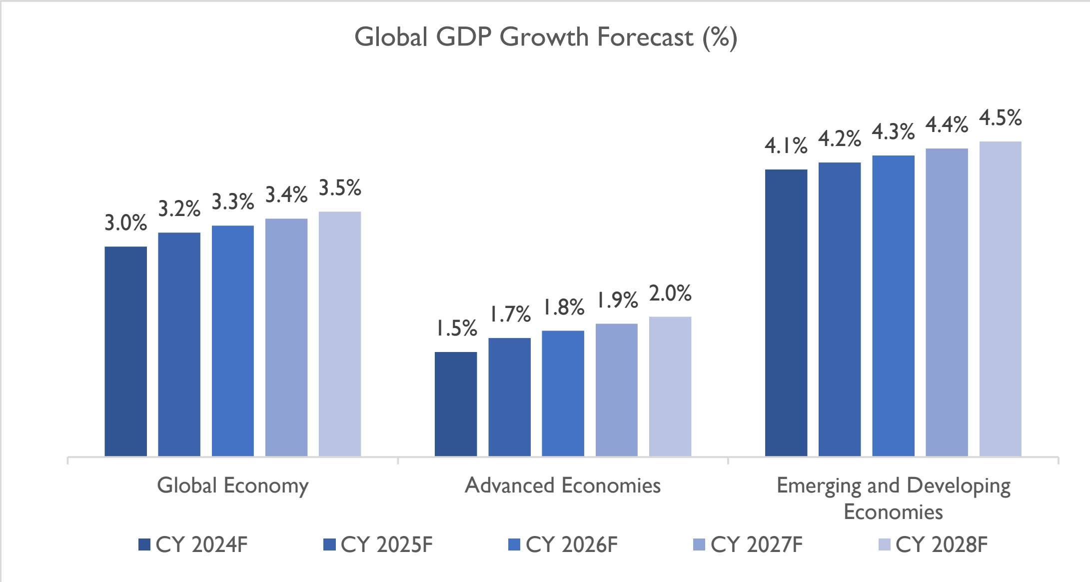


Source – IMF Global GDP Forecast Release 2023

Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)

In the current scenario, global GDP growth is forecasted to record a moderate growth of 2.8% in CY 2023 as compared to 3.4 % growth in CY 2022. While high inflation and rising borrowing costs are affecting private consumption, on the other hand, fiscal consolidation is affecting government consumption.

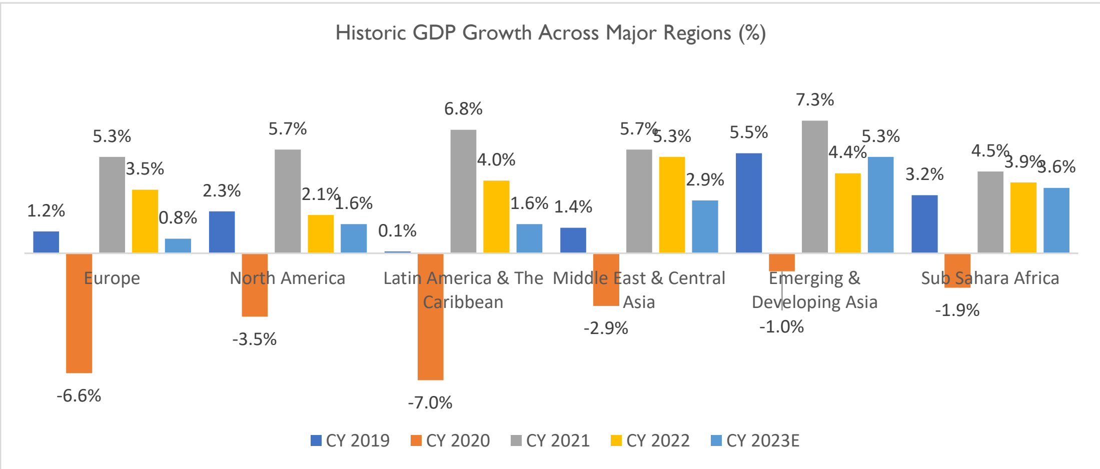
Flat growth in developed economies will affect the GDP growth in CY 2024 and global GDP is expected to record marginal growth of 3.0% in CY 2024. The current crisis in the housing sector, bank lending, and industrial sectors are affecting the growth of global GDP. Inflation forced central banks to adopt tight monetary policies. After touching the peak, inflationary pressures are slowly easing out. This environment weighs against interest rate cuts by many monetary authorities. The expectation is therefore still for slowing growth in the second half of CY 2023 and the first half of CY 2024.



Source – IMF Global GDP Forecast Release 2023, D&B Estimates

GDP Growth Across Major Regions

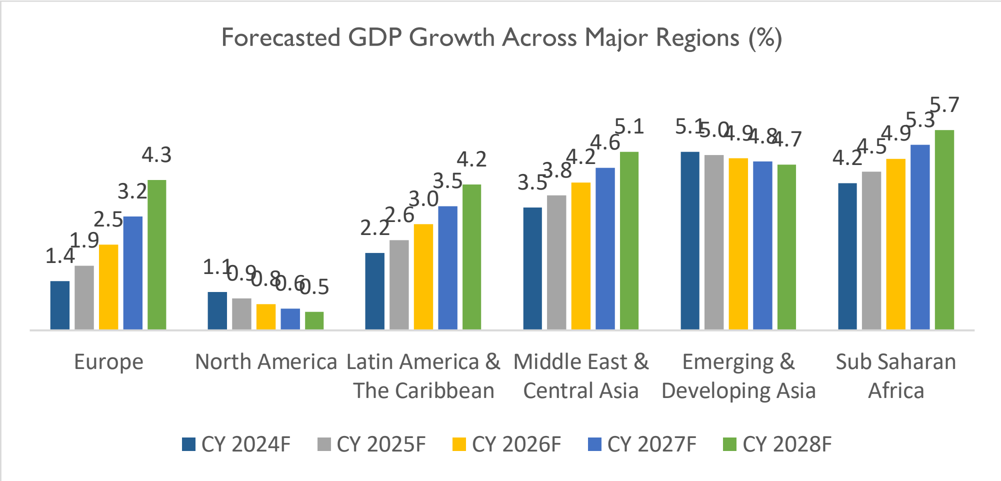
GDP growth of major regions including the United States, Latin America, Europe, Middle East & Central Asia, and Sub-Saharan Africa, are showing signs of slow growth and recession. Meanwhile, GDP growth in Emerging and Developing Asia (India, China, Indonesia, Malaysia etc.) is expected to increase from 4.4% in CY 2022 to 5.3% in CY 2023.



Source-IMF World Economic Outlook 2023

Except for Emerging and Developing Asia, all other regions are expected to record a decline in GDP growth rate in CY 2023 as compared to CY 2022. GDP growth in the United States is expected at 1.6% in CY 2023. Tight monetary and financial conditions coupled with high inflations are the major factors in this subdued growth.

Higher energy prices are curbing consumer demand in Europe's largest economies. Surging inflation and a decline in government spending are further affecting on an overall basis as Europe is expected to record GDP growth of 0.8% in CY 2023 as compared to 3.5% growth in CY 2022. China is expected to see strong increase in its GDP growth after the government has lifted the restrictions of its zero-COVID policy. China is expected to record a 5.4% growth in its GDP in CY 2023. Asian economies are expected to drive most of the global growth in CY 2023, as they will benefit from the ongoing reopening dynamics and less intense inflationary pressures compared to other regions.



Source-IMF, OECD, and World Bank, D&B Estimates

India Macroeconomic Analysis

GDP Growth Scenario

India's economy is showing signs of resilience with GDP growing by 7.2% in FY 2023. Although this translates into a moderation in demand (compared to FY 2022), the GDP growth in FY 2023 represents a return to pre pandemic era growth path. Despite this moderation in growth, India continues to remain one of the fastest growing economies in the world.

Country	GDP Growth (2022)
India	**7.2%**
United Kingdom	4.1%
Italy	3.7%
Canada	3.4%
China	3.0%
Brazil	2.9%
France	2.6%
United States	2.1%
South Africa	2.0%
Germany	1.8%
Japan	1.0%
Russia	-2.1%

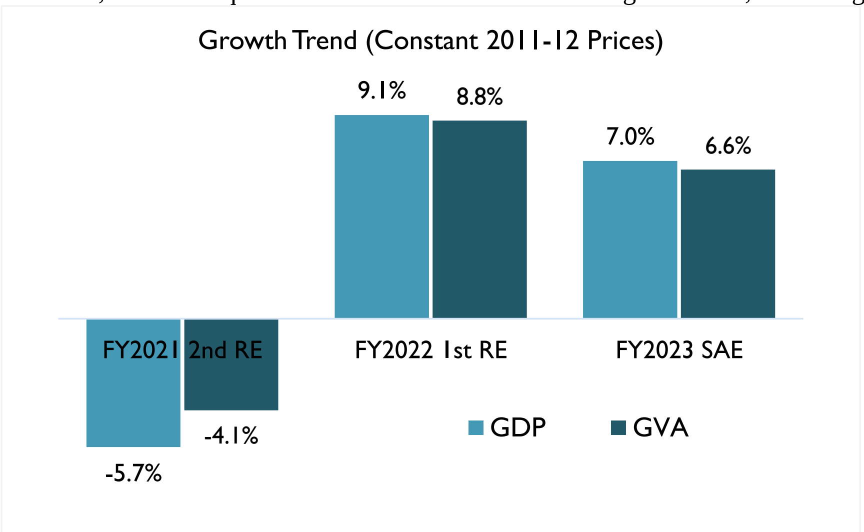
Source: World Bank
GDP growth for India refers to FY 2023 as per MOSPI
Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South)
Countries have been arranged in descending order of GDP growth

There are quite a few factors aiding India's economic recovery – notably its resilience to external shocks (ongoing Russia – Ukraine conflict) and rebound in private consumption. This rebound in private consumption is bringing back the focus on improvements in domestic demand, which together with revival in export demand is a precursor to higher industrial activity. Already the capacity utilization rates in Indian manufacturing sector are recovering as industries have stepped up their production volumes. As this momentum sustains, the country may enter a new capex cycle. The universal vaccination program by the Government has played a big part in reinstating confidence among the population, in turn helping to revive private consumption.

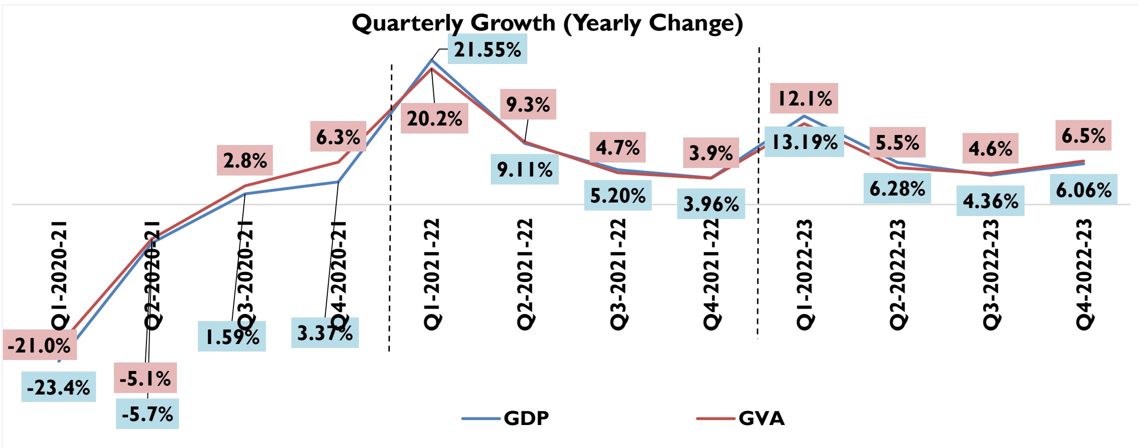
Realizing the need to impart external stimuli, the Government stepped up its spending on infrastructure projects which in turn had a positive impact on economic growth. The capital expenditure of central government increased by nearly 24.5% during FY 2023 as compared to the previous fiscal. The improvement was accentuated further as the Union Budget 2023-2024 announced 37.4% increase in capital expenditure (budget estimates), to the tune of Rs 10 trillion. The announcement also included 30% increase in financial assistance to states at Rs 1.3 trillion for capex. This has provided the much-needed confidence to private sector, and in turn attracted private investment.

On the lending side, the financial health of major banks has witnessed an improvement which has helped in improving the credit supply. With capacity utilization improving, there would be demand for credit from corporate sector to fund the next round of expansion plans. Banking industry is well poised to address that demand. Underlining the improving credit scenario is the credit growth to micro, small and medium enterprise (MSME) sector as the credit outstanding to the MSME sector by scheduled commercial banks in the financial year FY 2023 grew by 12.3% to Rs 22.6 trillion compared to FY 2022. The extended Emergency Credit Linked Guarantee Scheme (ECLGS) by the Union Government has played a major role in improving this credit supply.

India's GDP in FY 2023 grew by 7.2% compared to 9.1% in the previous fiscal on the back of slowing domestic as well as external demand owing to series of interest rate hikes globally to tackle high inflation. The year-on-year moderation in growth rate is also partly due to a fading impact of pandemic-induced base effects which had contributed towards higher growth in FY 2022. On quarterly basis, the country growth moderated in Q2 and Q3 of FY 2023 which highlights impact of slowing economy on the back of monetary tightening. During Q3 FY 2023, the country's GDP grew by 4.36% against 6.28% y-o-y increase in the corresponding quarter last fiscal. However, the fourth quarter of FY 2023 saw a rebound in growth rate, indicating an optimistic scenario.



Source: Ministry of Statistics & Programme Implementation (MOSPI)
RE stands for Revised Estimates, SAE stands for Second Advance Estimates



Source: Ministry of Statistics & Programme Implementation (MOSPI)

Sectoral Growth Trend: Annual

Sectoral analysis of GVA reveals growth tapered sharply in industrial sector which is estimated to have grown by just 3.6% in FY 2023 against 11.6% in FY 2022. In the industrial sector, growth across major economic activity such as mining, manufacturing, construction sector slowed registering a growth of 3.4%, 0.6% and 9.1% in FY 2023 against a growth rate of 7.1%, 11.05% and 14.8% recorded in FY 2022, respectively. Utilities sector too observed a marginal moderation in y-o-y growth to 9.2% against a decline of 3.6% in the previous years.

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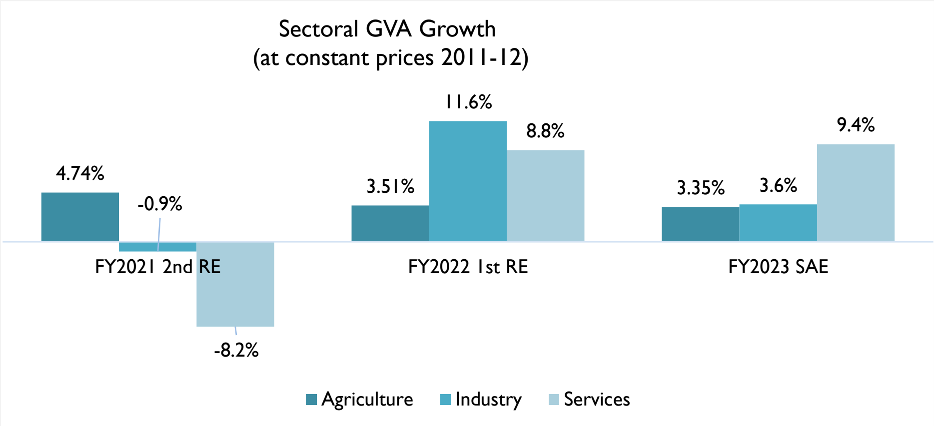
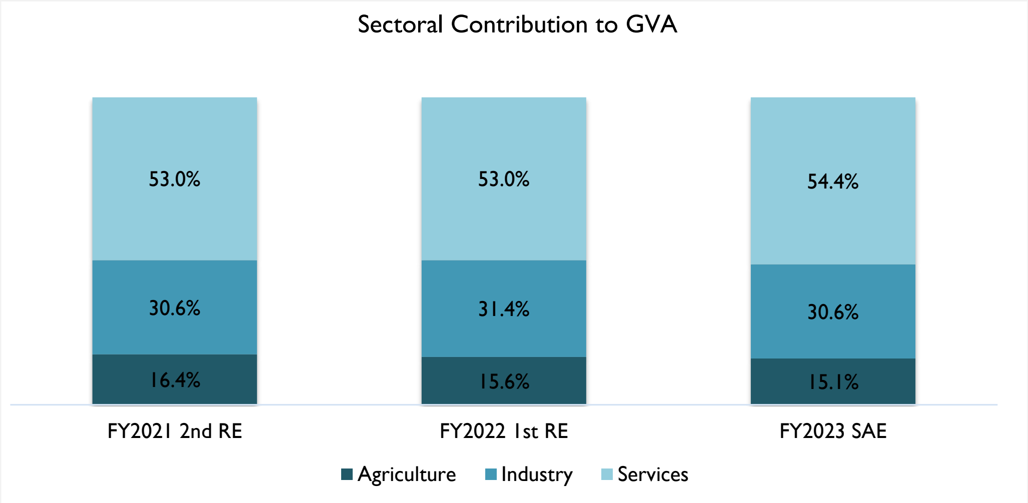


Source: Ministry of Statistics & Programme Implementation (MOSPI)

Talking about the services sectors performance, with major relaxation in covid restriction, progress on covid vaccination and living with virus attitude, business in service sector gradually returned to normalcy in FY 2022. Economic recovery was supported by the service sector as individual mobility returned to pre-pandemic level. The trade, hotel, transport, communication, and broadcasting segment continued to strengthen and grow by 14.18% in FY 2023 against 13.75% in the previous year and financial services, real estate and professional services sector recorded 6.85% y-o-y growth against 4.73%. However, overall service sector growth was curbed by moderation in public administration and defence services sector which recorded 7.12% yearly increase against 9.7% increase in the previous year.



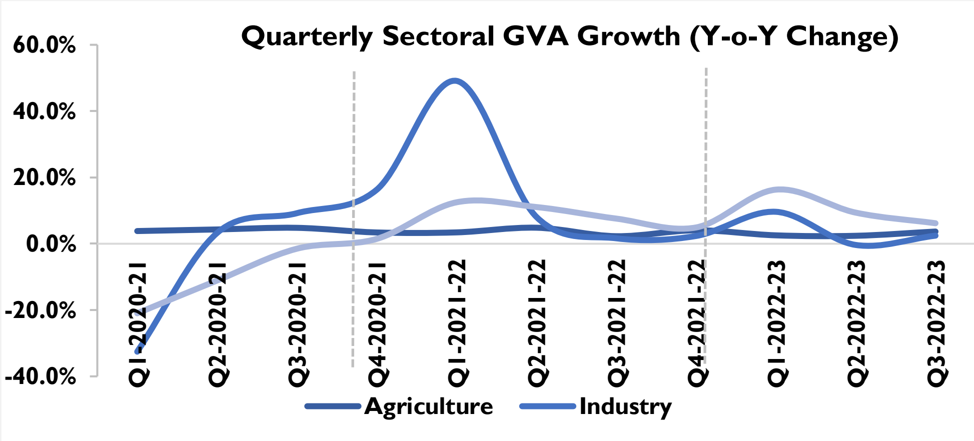
Source: Ministry of Statistics & Programme Implementation (MOSPI)

Sectoral Growth Trend: Quarterly

Quarterly GVA number indicated sustained weakness in economic activity during Q3 FY 2023 with manufacturing activity being the worst hit segment amongst the industrial sectors. India's manufacturing sector shrank by 1.1% on-year in Q3 FY 2023, a second straight contraction highlighting the continuing weakness in consumer demand and exports. In Q2 FY 2023, manufacturing sector output was down by 3.57%. While quarterly growth in both agriculture and other sectors within industrial sector strengthened during Q3 FY 2023.

Agriculture sector GVA strengthen in Q3 FY 2023 to register 3.68% yearly growth compared to both corresponding quarter last year (2.28%) and previous quarter (2.4%) in FY 2022. Any growth between 3.5-4% in farm sector is considered above the long-term trend line. Construction sector witnessed 8.39% y-o-y growth in Q3 of FY 2023 against 5.85% y-o-y growth in the previous quarter, mining and quarrying sector, and Electricity, gas, water supply& other utility services sector registered 3.7% and 8.24% y-o-y growth against -0.4% and 5.96%, respectively.

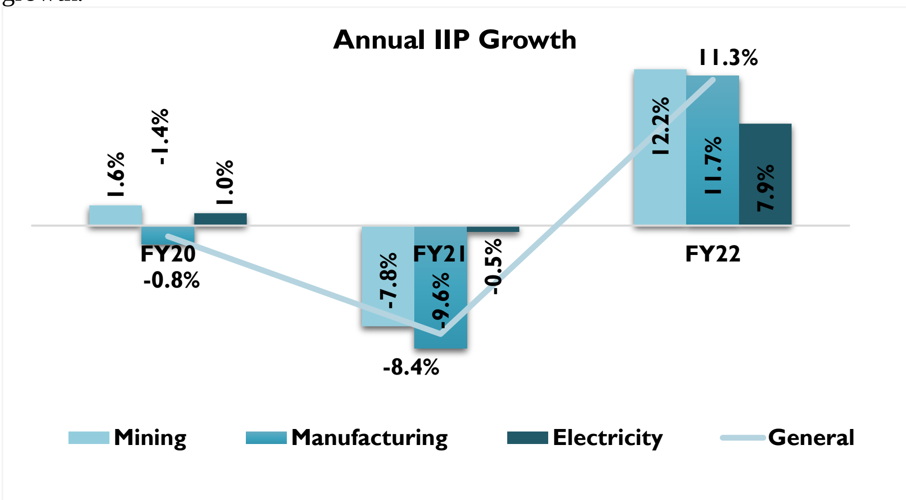
In Q3 FY 2023, yearly growth stood as 0.23%, 5.42% and 5.99% in construction, mining and quarrying and Electricity, gas, water supply& other utility services sector, respectively. Within service sector, quarterly growth moderated across all segments in Q3 FY 2023 against the previous quarter. Trade, hotel, transport, communication, and broadcasting segment observed 9.56% y-o-y growth in Q3 as compared to 15.64% growth in the last quarter. Other services sector broadly classified under Public Admin, Defence & Other Services and Financial, Real Estate & Professional Services too observed 1.99% and 5.79% growth in Q3 FY 2023 against 5.57% and 7.13% y-o-y change in Q2 FY 2023.



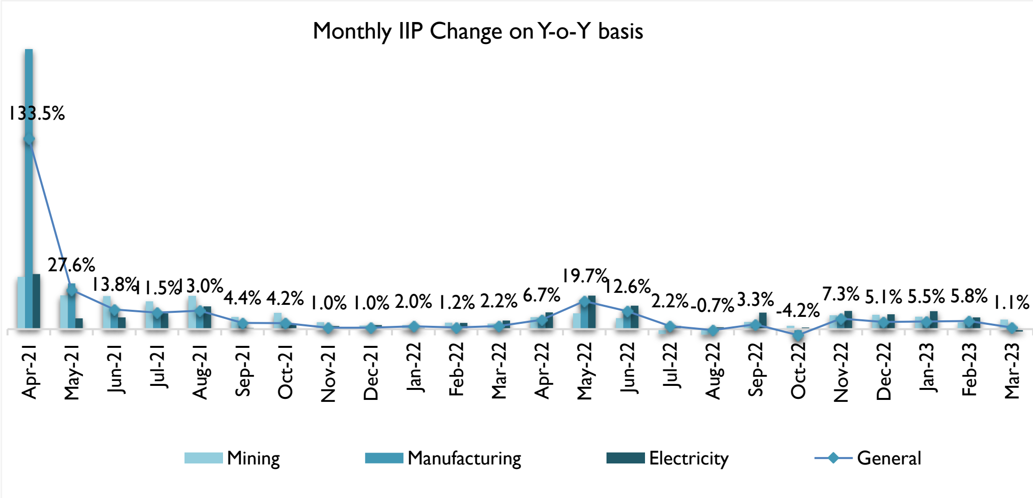
Source: Ministry of Statistics & Programme Implementation (MOSPI)

Index of Industrial Production

After experiencing three years of deteriorating industry growth, the country's Index of Industrial Production (IIP) index registered 11.3% y-o-y growth where growth was evenly spread across all sub-segments. Manufacturing index, with 77.6% weightage in overall index, registered 11.7% y-o-y growth in FY 2022 while mining sector index registered the highest growth. Classified based on usage i.e., infrastructure/construction goods, capital good, intermediate good and consumer durable outperformed over the other sector and registered healthy double-digit growth.



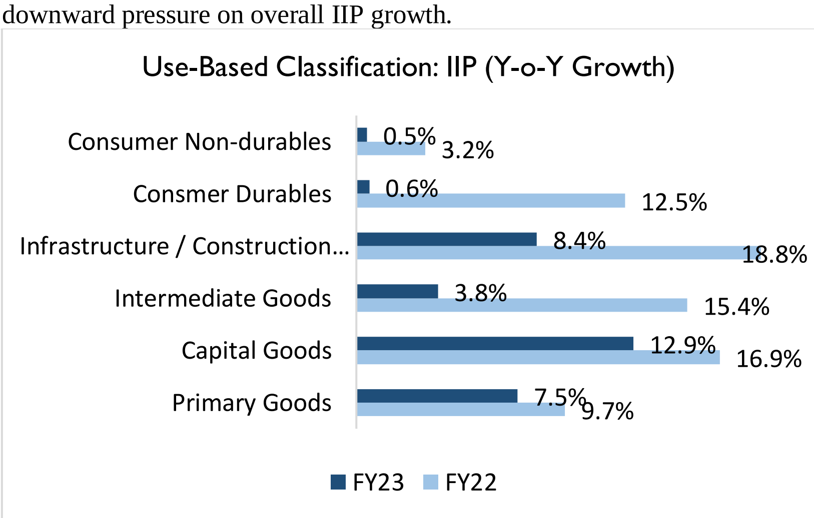
Source: Ministry of Statistics & Programme Implementation (MOSPI)



Source: Ministry of Statistics & Programme Implementation (MOSPI)

In FY22, IIP index improved steadily between March to May but moderated sharply in the subsequent three month and it measured lowest in October 2022 while it showed temporary improvement by growing at 7.3% in subsequent. However, IIP again moderated to register 5.1 % y-o-y growth in December 2022. Manufacturing activity which has 77.6% weightage in the overall index, grew by 2.6% in December 2022 while mining activity and electricity index grew by 9.8% and 10.4%, respectively.

On y-o-y basis, monthly IIP growth in December 2022 was relatively higher compared to previous year due to low base effect where overall IIP was adversely affected by onset of third wave of pandemic. Low base affect and year end festive sale are likely to support IIP growth in the coming month. However, moderation in external demand and consequent decline in trade have potential to affect manufacturing sector output and putting downward pressure on overall IIP growth.



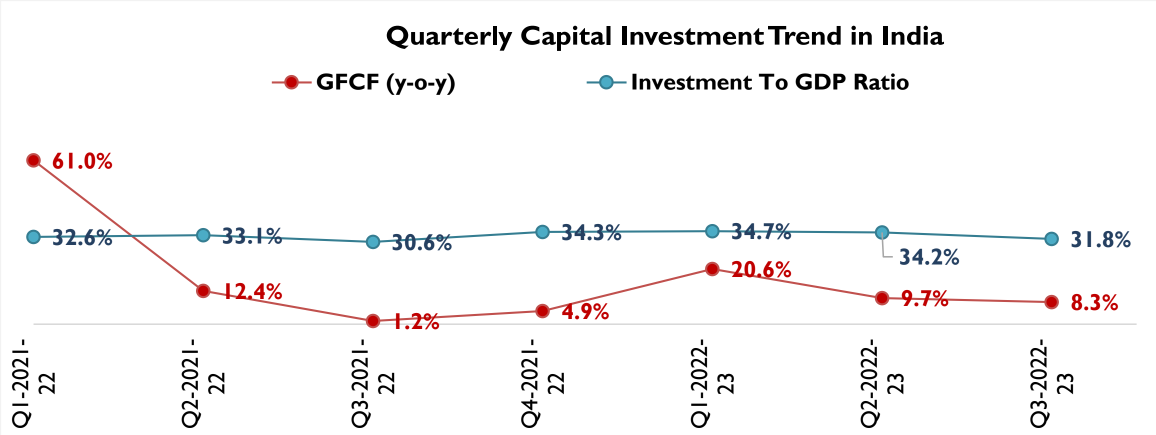
Sources: MOSPI

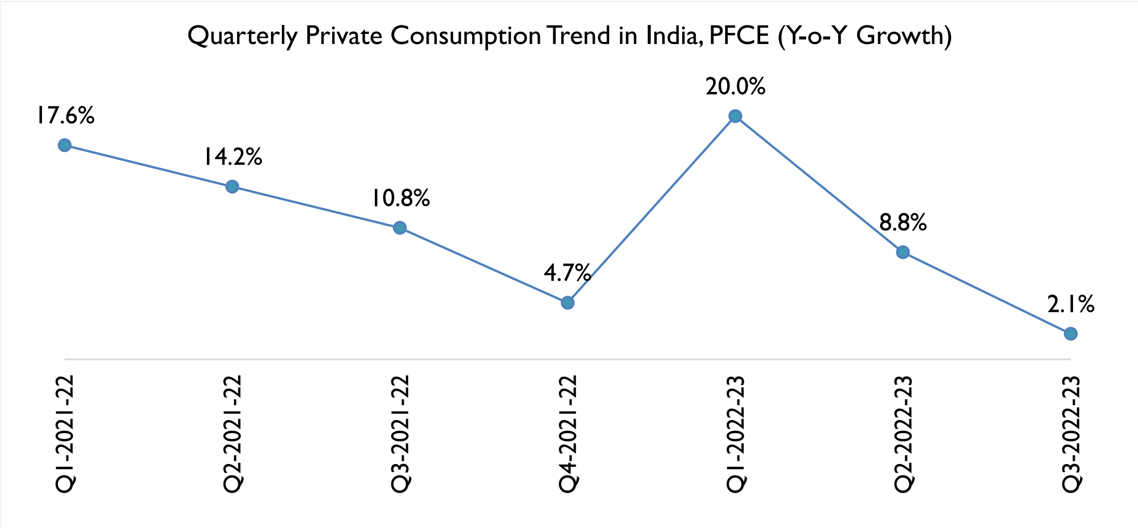
As per the use-based classification, growth in all segments deteriorated for FY 2023 as compared to FY 2022. Consumer good and intermediate goods were worst hit segments followed by infrastructure / construction Goods. The contracting IIP data points towards adverse operating business climate as global headwinds, high inflation, and monetary tightening started having adverse impact on manufacturing activity in FY 2023.

Investment & Consumption Scenario

Other major indicators such as Gross fixed capital formation (GFCF), a measure of investments, moderated during Q2 FY 2023 and Q3 FY 2023 while 8% y-o-y growth number was encouraging against 1.2% yearly growth in Q3 FY 2022. Despite the festive season demand and largely a covid-free economy, Private Final Consumption Expenditure (PFCE) a realistic proxy to gauge household spending, observed a continued moderation in Q3 FY

2023 where yearly growth softened to 2.1% which was nearly 7% lower compared to Q2 FY 2023.

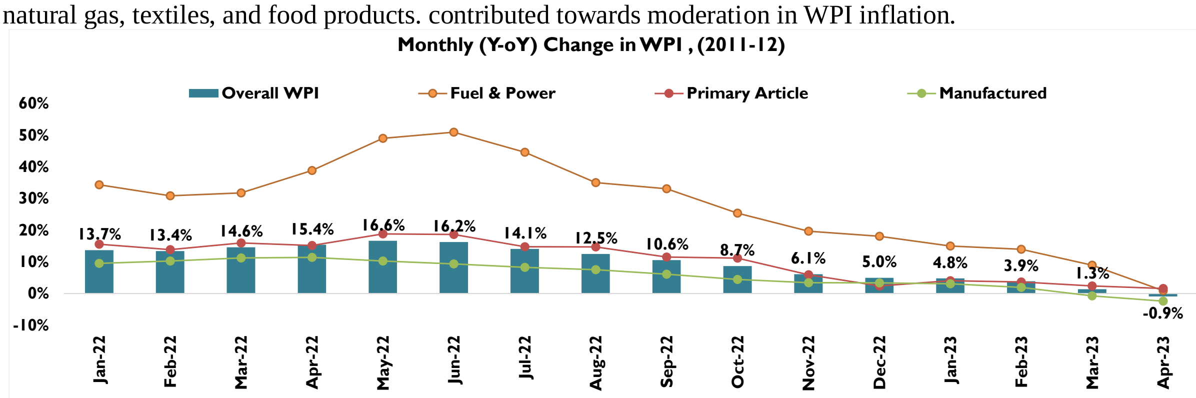




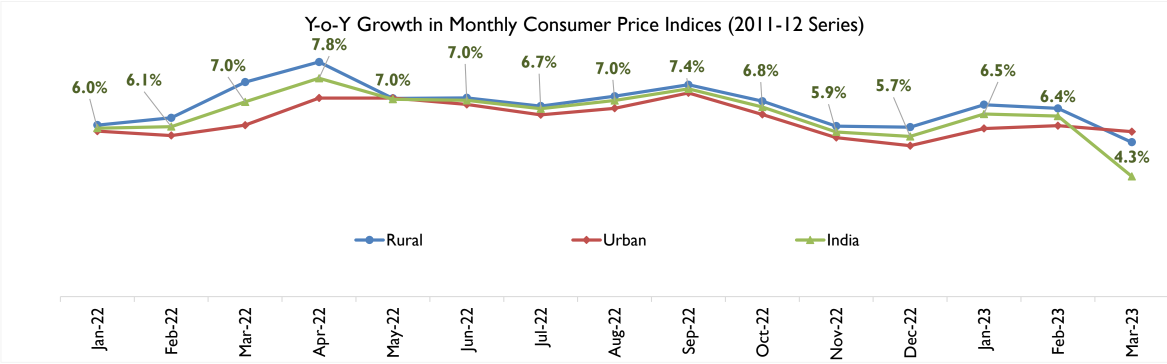
Sources: MOSPI

Inflation Scenario

Wholesale Price Index (WPI) is moderating on the back of softening of prices. Compared to April 22, WPI in April 2023 dropped by -0.9%. This is primary on the back of softening of fuel & power prices. Monthly y-o-y change (April 2023 v/s April 2022) for manufactured products was -2.9%, and this too contributed to the moderation in WPI. Softening prices of mineral oils, chemicals & chemical products, textiles, crude petroleum & natural gas, textiles, and food products. contributed towards moderation in WPI inflation.



Source: MOSPI, Office of Economic Advisor



Source: CMIE Economic Outlook

Retail inflation rate (as measured by Consumer Price Index) again jumped above 6% tolerance limit of the central bank in January 2023 after observing mild moderation in the previous two month. The overall CPI grew by 6.5% in January 2023 due to spike in food inflation and CPI food index grew by 5.9% during FY 2023 against 4.2% y-o-y growth in the previous year. Within food index, Cereals and product-led food inflation reached 16.1 per cent in January 2023 from 13.8 per cent in December 2022. As a part of anti-inflationary measure, the RBI has hiked the repo rate by 225 bps since May 2022 to current 6.5% (May 2023), with latest fourth round hike announced on 8 Feb 2023. The Reserve Bank of India has estimated an average inflation rate of 6.5% for FY 2023. Since then, retail inflation appears to be softening, as it grew by 6.4% and 4.3% respectively in February and March of 2023.

Growth Outlook

Amidst the difficult and uncertain external economic environment, the Indian government has delivered a balanced Union Budget which focuses on achieving an inclusive and sustainable growth while adhering to the fiscal glide path. Notwithstanding the external risk, there is a sustained momentum in economic activity supported by domestic drivers. The consumer confidence survey by the Reserve bank of India points towards rising confidence of households both for the current situation as well as the future expectations (for a one-year period). Rural demand is likely to be boosted by good prospects for agricultural output and discretionary spending is expected to support urban consumption supporting. Resilient domestic financial markets, sturdy growth in credit and the government's thrust on capital expenditure is expected to drive momentum in investment activity. Capacity utilization in the manufacturing sector has surpassed its long period average. Thus, the stance taken by the government to not only emphasize on the top-down approach to growth i.e focusing on substantial capital outlay, but also to place focus on the bottom of the pyramid by trying to unleash the potential of the primary sector in the Union Budget should support India's growth momentum in 2023.

Some of the key factors that would propel India's economic growth in the coming years

Government focus on infrastructure development

Infrastructure development has remained recurring theme in India's economic development. As India aims to grow to a USD 5 trillion economy by 2027, Construction sector that include Infrastructure construction will be critical for boosting economic growth as it is the key growth enabler for several other sector. Infrastructure development provides impetus to other sectors like cement, bitumen, iron and steel, chemicals, bricks, paints, tiles, financial services among others. A unit increase in expenditure in construction sector has a multiplier effect on other sectors with a capacity to generate income as high as five times in other sectors. The sector enjoys intense focus from the Government which is well reflection in higher budgetary allocations. To push the infrastructure development, government has also announced higher budgetary allocation, various arrangement for raising funds through road asset monetization plan and converting of NHAI's existing InvIT into a public one is also planned. With economic targeting to reach USD 5 trillion economy by 2027, demand for various infrastructure facilities such as power, cargo movement, passenger movement is likely to grow which necessitate steady capacity addition in infrastructure facilities. Speedy progress and time-bound completion of infrastructure project would key factor to watch that will determine the sector performance.

The launch of flagship policies like National Infrastructure Pipeline (NIP), and PM Gati Shakti plan have provided the coordination & collaboration that was lacking earlier. Both NIP and PM Gati Shakti are ambitious billion-dollar plans that aim to transform India's infrastructure, elevating it to the next level. These projects are expected to improve freight movement, debottleneck the logistics sector, and improve the industrial production landscape, which would provide the incremental growth in GDP. 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.

Development of Domestic Manufacturing Capability

The Government launched Production Linked Incentive (PLI) scheme in early 2020, initially aimed at improving domestic manufacturing capability in large scale electronic manufacturing and gradually extended to other sectors. At present it covers 14 sectors, ranging from medical devices to solar PV modules. The PLI scheme provides incentives to companies on incremental sales of products manufactured in India. This incentive structure is aimed to attracting private investment into setting up manufacturing units and thereby beef up the domestic production capabilities. The overall incentives earmarked for PLI scheme is estimated to be INR 2 lakh crore. If fully realizing the PLI scheme would have the ability to add nearly 4% to annual GDP growth, by way of incremental revenue generated from the newly formed manufacturing units.

Strong Domestic Demand

Domestic demand has traditionally been one of the strong drivers of Indian economy. After a brief lull caused by Covid-19 pandemic, the domestic demand is recovering. Consumer confidence surveys by Reserve Bank / other institutions are points to an improvement in consumer confidence index, which is a precursor of improving demand. India has a strong middle-class segment which has been the major driver of domestic demand. Factors like fast paced urbanization and improving income scenario in rural markets are expected to accelerate domestic demand further. This revival is perfectly captured by the private final consumption expenditure (PFCE) metric. PFCE as a percentage of GDP increased to nearly 59.2 during the first half of FY 2023[1], which is the highest level it has achieved during the past few years. Although pent-up demand has played a part in this surge, this is an indication of normalization of demand.

There are two factors that are driving this domestic demand: One the large pool of consumers and second the improvement in purchasing power.

- The share of middle class increased from nearly 14% in 2005 to nearly 30% in 2021 and is expected to cross 60% by 2047 (Placeholder1)[2]. This expanding middle class household segment is fuelling India's growth story and would continue to play a key role in propelling India's economic growth.
- As per National Statistics Office (NSO) India's per capita income (in current prices) stood at INR 1.72 lakhs in FY 2023 which is nearly double of what it was in FY 2015. This increase in per capita income has impacted the purchasing pattern as well as disposable spending pattern in the country. Consumer driven domestic demand is majorly fuelled by this growth in per capita income.

Digitization Reforms

Ongoing digitization reforms and the resultant efficiency gains accrued would be a key economic growth driver in India in the medium to long term. Development of digital platforms has helped in the seamless roll out of initiatives like UPI, Aadhaar based benefit transfer programs, and streamlining of GST collections. All of these have contributed to improving the economic output in the country. Some of the key factors that have supported the digitization reforms include – the growth in internet penetration in India together with drop in data tariffs, growth in smartphone penetration, favourable demographic pattern (with higher percentage of tech savy youth population) and India's strong IT sector which was leveraged to put in place the digital ecosystem. All these factors are expected to remain supportive and continue to propel the digitization reforms in India.

Role of Government in Road Development in India
Agencies Involved

The central government, through the Ministry of Road Transport and Highways (MoRTH), serves as the

[1] India Economic Survey FY 2023, Full year data is yet to be released.

[2] As per the survey conducted by People Research on India's Consumer Economy. Households with annual income in the range of INR 5 – 30 lakh is considered as middle class households.

overarching authority for road development in India. It plays a pivotal role in policy formulation, setting the national vision and strategic direction for road infrastructure. The central government allocates funds for the construction and maintenance of national highways and expressways, often tapping into resources like the Central Road and Infrastructure Fund. Regulatory oversight is another crucial responsibility, ensuring that projects adhere to safety and quality standards. Moreover, the central government actively encourages public-private partnerships to attract private investments into road development, thereby diversifying funding sources and accelerating project implementation.

State governments have a critical role in the development of road networks within their respective regions. They are primarily responsible for the construction and maintenance of state highways, district roads, and rural roads. State governments allocate funds from their budgets for these projects, decide on project priorities, and manage land acquisition processes. Effective coordination with local authorities, executing agencies, and the central government is vital for the seamless execution of road projects within their jurisdiction. Additionally, state governments often engage in rural and urban road development to improve connectivity and promote regional economic development.

Quasi-government agencies, like National Highways and Infrastructure Development Corporation, National Highways Authority of India, play a specialized role in road development. NHAI focuses on the development, maintenance, and management of national highways, executing numerous projects under the central government's flagship schemes. State Public Works Departments (PWDs) function as quasi-government agencies, overseeing the construction and maintenance of various road categories within their respective states. In urban areas, development authorities take charge of planning and constructing road networks to ensure smooth urban mobility. These agencies contribute specialized expertise and resources to enhance the road infrastructure in India, aligning with the broader government vision for connectivity and economic growth.

National Highway and Infrastructure Development Corporation Limited (NHIDCL): NHIDCL is an entity fully owned by the Ministry of Road Transport & Highways (Government of India). The Company is tasked with survey, design, build, operate, maintain & upgradation of national highways and strategic roads[3].

Capital Allocation

Currently, roads are financed through a combination of government and private sources. Government funding primarily relies on budgetary allocations, which are financed through taxes, cesses, or dedicated road funds. Among these, the Central Road and Infrastructure Fund (CRIF) stands out as a non-lapsable fund. It is fueled by the road and infrastructure cess imposed on the manufacture and import of petroleum products. The accumulated funds from CRIF are released to entities like the National Highways Authority of India and various state and union territory governments for infrastructure development.

Another source of government funding comes from the Permanent Bridge Fee Fund (PBFF), which draws its financial sustenance from fees levied on the use of specific bridges on national highways, national highway tolls, and revenue shares received from some public-private partnership projects. These funds, too, are allocated to NHAI, enabling the upkeep and expansion of the national highway network. The National Investment Fund (NIF) is yet another critical contributor to road development. This fund receives proceeds from disinvestments and channels them into funding special road development projects, especially in the north-eastern regions of India.
Monetization of national highway projects also plays a significant role in financing road infrastructure. This approach involves transferring the maintenance responsibilities of specific public-funded national highway stretches to private contractors under long-term arrangements. This mechanism generates funds that are subsequently allocated to the enhancement of the nation's highways.

Publicly funded projects typically follow various contract models such as the Engineering Procurement Construction (EPC) or Item Rate contract. These models facilitate the efficient execution of projects, with the Ministry of Road Transport and Highways overseeing the financial management of these ventures through diverse funds, each tailored to serve specific road-related purposes.

Role of NHAI in National Highway Development in India

[3] As per NHIDCL website

The National Highways Authority of India (NHAI) is a quasi-government agency responsible for overseeing the development, maintenance, and management of the national highway network in India. Established in 1988 and operating autonomously under the Ministry of Road Transport and Highways, it plays a pivotal role in the country's infrastructure development by focusing on the construction and expansion of highways, expressways, and important road corridors.

NHAI serves as an advisor to the Central government on National Highway-related matters and formulates and executes schemes for the improvement of National Highways. It’s primary role is to plan, design, and execute national highway projects across the country. This includes the development of greenfield highways, widening existing ones, and ensuring their proper maintenance.

NHAI has played a key role in development of National Highway infrastructure by actively undertaking the National Highways Development Project (NHDP). NHDP is India's largest-ever highway initiative, involving the development, maintenance, and management of National Highways. NHAI's mandate extends to the implementation of the NHDP in a phased manner, aligning with the government's commitment to strengthening the national highway network. The agency is entrusted with multiple functions, including collecting tolls and regulating vehicular movement on National Highways, providing consultancy and construction services nationally and internationally, and conducting research to enhance highway development, maintenance, and management.

One of NHAI's notable contributions to highway infrastructure development is its implementation of the Electronic Toll Collection (ETC) system, which has streamlined toll collection processes on highways, reducing travel time and fuel consumption for commuters. The development and operation of FASTag by NPCI and NHAI respectively enables cashless payments and reduces traffic congestion at toll plazas. This system has not only improved the revenue collection process but also enhanced the overall highway user experience.

Furthermore, NHAI plays a crucial role in attracting private investments through Public-Private Partnerships mode. This approach leverages private sector expertise and funding to expedite the construction and expansion of highways. National Highways Authority of India stands as a crucial institution, contributing heavily to develop and maintain highways. It ensures seamless movement of goods and people, enhancing transportation efficiency, supporting economic development, and improving the overall road network in India.

Flagship Programs

Bharatmala Pariyojana

The Bharatmala Pariyojana is a comprehensive program aimed at improving the efficiency of freight and passenger movement across India's highways. The primary objective of the Bharatmala Pariyojana project is to optimize the efficiency of freight and passenger movement across India by addressing critical infrastructure gaps and improving the road network.

The Government of India launched “**Bharatmala Pariyojana” in 2015**, a new umbrella program to develop highways sector. The highway construction planned to be implemented in Bharatmala Pariyojana is is 83,677 km. The scheme aims towards optimizing the efficiency of freight and passenger movement across the country by bridging critical infrastructure gaps through effective interventions. The key objectives of Bharatmala Pariyojana include

- Interconnect 550 districts with highways containing a minimum of 4 lanes.
- Construct 50 corridors across the country curtailing traffic and cluster.
- Interconnect 24 logistics parks.
- Enhance freight transport via national highways to 70%-80%.

The project focuses on developing economic corridors that can efficiently carry a significant portion of the country's freight traffic. These corridors are designed to facilitate the movement of goods and people, thereby boosting trade and commerce. Additionally, to reduce congestion in urban areas, the project includes the development of ring roads, bypasses, and elevated corridors.

The project also includes roads that connect coastal areas and important ports, ensuring efficient movement of goods to and from these maritime hubs. Special attention is given to the development of greenfield expressways, which are modern, high-speed roadways designed to efficiently handle traffic and freight.

In addition to new infrastructure, Bharatmala also focuses on improving the efficiency of existing national corridors, ensuring that they meet modern standards. By enhancing the road network and reducing congestion, the project aims to reduce the overall logistics costs associated with the transportation of goods. Thus, this improved infrastructure is expected to stimulate economic growth by facilitating trade, reducing transportation time and costs, and promoting investment in various sectors.

Bharatmala Phase I

-Bharatmala Phase-I consists of Economic Corridors which will span approximately a total of 26,200 kilometers, with 9,000 kilometers being developed in Phase I at a cost of INR 120,000 crore. Inter Corridors and Feeder Routes will cover 8,400 kilometers and 7,600 kilometers respectively. These routes are intended to enhance the effectiveness of economic corridors, Golden Quadrilateral, and North-South and East-West corridors. In Phase-I, 6,000 kilometers of feeder routes will be constructed with an outlay of INR 80,000 crore

National Corridor Efficiency Improvement focuses on 5,000 kilometers with an outlay of INR 1,00,000 crore. Border and International Connectivity Roads totalling 2,000 kilometers, will connect border regions and remote areas, bring the cost to Rs. 25,000. Coastal and Port Connectivity Roads spanning 2,000 kilometers will connect areas along shorelines and important ports, facilitating transportation. This will come at at cost of Rs. 20,0000. Green Field Expressways of length 800 kilometers of such are planned with an outlay of INR 40,000 crore. Lastly, Balance NHDP Works which involves the construction and maintenance of approximately 10,000 kilometers of new roads at a cost of INR 1,50,000 crores.

The development of 74,942 kilometers of national highways under Bharatmala Pariyojana was approved in October 2017. Phase I includes 34,800 kilometers at an estimated cost of INR 535,000 crore, which was to be implemented from 2017-18 to 2021-22. However, as of March 2023, of the total 34,800 kilometers, 26,316 kilometers have been awarded and 13,499 kilometers completed. With cost overruns and changes in project scope and specifications, the project is now expected to be completed by 2027, five years later than initially planned.

Scheme	Length (km)	Cost (Rs. crore)
Economic Corridors	9,000	1,20,000
Inter-Corridors & feeder roads	6,000	80,000
National Corridor Efficiency improvement	5,000	1,00,000
Border & International connectivity roads	2,000	25,000
Coastal & port connectivity roads	2,000	20,000
Expressways	800	40,000
Sub Total	**24,800**	**3,85,000**
Ongoing Projects, including NHDP*	10,000	1,50,000
Total	**34,800**	**5,35,000**

National Highway Development Project

The National Highways Development Programme (NHDP) was initiated in 1998 with the primary objective of upgrading and developing India's national highways to international standards. This program aimed to create road infrastructure with improved safety features, better riding surfaces, grade separators, and other essential elements. NHDP was structured into seven phases, each with specific targets:

- Phase I: This phase focused on the construction of the Golden Quadrilateral network, spanning 5,846 kilometers, connecting major cities like Delhi, Chennai, Mumbai, and Kolkata. It also included 981 kilometers of the North-South and East-West corridor, which connected Srinagar in the north to Kanyakumari in the south and Silchar in the east to Porbandar in the west. Phase I also aimed at improving connectivity to ports.
- Phase II: Phase II extended the North-South and East-West corridor by covering 6,161 kilometers of it (out of a total of 7,142 kilometers) and included an additional 486 kilometers of other national highways.

- Phase III: This phase focused on four-laning 12,109 kilometers of high-density national highways that connected state capitals and places of economic, commercial, and tourist importance.
- Phase IV: Phase IV aimed at upgrading 20,000 kilometers of single-lane roads to two-lane standards with paved shoulders.
- Phase V: In this phase, 6,500 kilometers of four-laned highways were targeted for six-laning to further improve traffic flow and capacity.
- Phase VI: Phase VI involved the construction of 1,000 kilometers of expressways that connected major commercial and industrial townships, promoting faster and more efficient transportation.
- Phase VII: The final phase, Phase VII, focused on constructing essential infrastructure like ring roads, by-passes, underpasses, flyovers, etc., comprising 700 kilometers of road network.

The unfinished projects under NHDP were later integrated into the Bharatmala Pariyojana, a broader initiative aimed at further enhancing India's road infrastructure and connectivity.

National Infrastructure Pipeline

The National Infrastructure Pipeline of India is a monumental initiative to reshape India's infrastructure landscape. Covering a multitude of sectors, from energy and transportation to urban development and beyond, the NIP is driven by the primary goal of fostering economic growth, creating employment opportunities, enhancing citizens' quality of life, and ensuring equitable access to essential infrastructure.

Since its inception, the NIP has undergone significant expansion. Initially comprising 6,835 projects, it has now grown to encompass over 9,000 projects spanning 57 sub-sectors. These projects are jointly funded by the Central Government, State Governments, and the private sector, emphasizing collaboration as a key driver of success.

As per the Economic Survey 2023, projects worth INR 108 trillion are currently at various stages of implementation under the National Infrastructure Pipeline. Of these projects, 8,964 are in different phases of execution. A significant portion belongs to the transportation sector, highlighting the program's focus on bolstering India's infrastructure backbone. Additionally, projects span various domains, including communication, energy, logistics, social infrastructure, transport, water and sanitation, and commercial infrastructure, reflecting the comprehensive nature of the NIP. Between the fiscal years 2020 and 2025, approximately 71% of the anticipated infrastructure investments in India are allocated to sectors like energy (24%), roads (18%), urban development (17%), and railways (12%).

Other Major Programs

Connectivity in the Left-Wing Extremism Area

Connectivity in the Left-Wing Extremism (LWE) affected areas of India has been a key focus for the government, recognizing its importance for development and security. To address this vital aspect, several schemes and projects have been undertaken to improve road infrastructure in these regions.

Initially, this initiative approved by the government termed a ‘Special Project’ aimed at the development of approximately 1,177 kilometers of National Highways (NHs) and 4,276 kilometers of State Roads in LWE-affected areas. The estimated cost for this endeavour stands at around INR 7,300 Crore.

As of December 2022, the efforts to enhance connectivity in LWE-affected areas have yielded impressive results. Under two specific schemes, more than 11,600 kilometers of roads have been constructed to facilitate better access and mobility for the local populace.

The Road Requirement Plan-I (RRP-I) in LWE Affected Areas, implemented through the Ministry of Road Transport and Highways, has played a pivotal role in this endeavour. With 5,361 kilometers of roads sanctioned at an estimated cost of INR 8,585 crores, this scheme has significantly contributed to road network expansion. Notably, 5,065 kilometers of these roads have been successfully constructed, improving accessibility and connectivity in these challenging regions.

Another crucial initiative, the Road Connectivity Project for LWE Affected Areas (RCPLWEA), executed through the Ministry of Rural Development, has made substantial strides. An impressive 12,100 kilometers of roads have been sanctioned under this scheme, with an estimated cost of INR 12,021 crore. Of this extensive network, 6,561 kilometers of roads have already been completed, further enhancing connectivity, and promoting development in LWE-affected regions.

Char Dham Pariyojna

The Ministry has launched the Char Dham Pariyojana, a program aimed at improving connectivity to the sacred Char-Dham pilgrimage sites in Uttarakhand, including Kedarnath, Badrinath, Gangotri, and Yamunotri. The primary objective is to make journeys to these sites safer, faster, and more convenient by widening 889 kilometers of highways connecting them. Additionally, the project includes enhancing the Tanakpur-Pithoragarh segment of National Highway 125, an essential part of the Kailash Mansarovar Yatra route.

This project serves dual purposes. Besides facilitating pilgrimages, it plays a strategic role in national security. These improved roads connect the India-China border to key Army camps in Dehradun and Meerut, housing missile bases and heavy machinery, bolstering national defence.

By December 2022, the Centre had completed the expansion of 578.6 kilometers of roads, marking significant progress in achieving the project's objectives and enhancing connectivity in this crucial region.

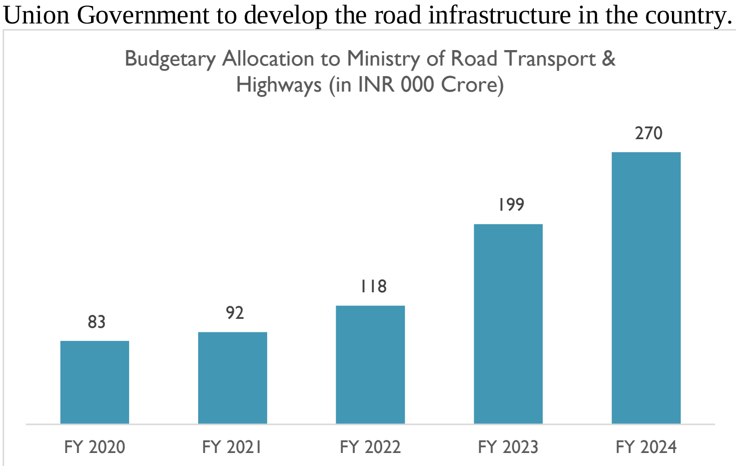
Special Accelerated Road Development Programme for the North Eastern States

The Ministry of Road Transport and Highways launched the Special Accelerated Road Development Programme for the North Eastern States (SARDP-NE). This program is designed to enhance the road network in the north eastern states of India significantly. Its primary objective is to establish road connectivity to all district headquarters in the north eastern region, with a minimum standard of a 2-lane highway. Additionally, it aims to provide road connectivity to underdeveloped and remote areas, regions of strategic importance, and neighbouring countries.

The SARDP-NE is structured in two phases, labelled as Phase A and Phase B, which includes the Arunachal Package. In total, these phases encompass approximately 10,141 kilometers of road development. Phase A of the SARDP-NE, along with the Arunachal Package, covers 6,418 kilometers, with an estimated cost of INR 33,688 crore.

Budgetary Allocation for Road Projects

The budgetary allocation to the Ministry of Road Transport and Highways (MoRTH) by the Government of India has exhibited a significant and consistent upward trend in recent years, reflecting the government's commitment to infrastructure development and the expansion of road networks. In its latest budget (Union Budget FY 2024), the Government have allocated approximately INR 270,000 crore to MoRTH towards various projects. Compared to this, the annual budgetary allocation that was made during budget announcement FY 2020 was only INR 83,000 crore. The jump from INR 83,000 to INR 270,000 crore of allocation signals the aggressive commitments by the Union Government to develop the road infrastructure in the country.



Source: Union Budget Documents, Government of India

Project Implementation Modes in Road Infrastructure

Over the years, India's road infrastructure construction segment has seen the introduction of multiple project execution models – ranging from Engineering, Procurement & Construction (EPC), Hybrid Annuity Model (HAM), and Build Operate Transport (Toll) models, to name a few. The move by the Government to increase private participation and private investment have played a key role in the formulation and implementation of these multiple models.

Largely, a move to a public private partnership (PPP) model in road construction away from only Government funded model has created a supportive ecosystem for the emergence of multiple project execution models. PPPs offer access to essential expertise for the planning and execution of large-scale projects, making them a versatile tool for fostering infrastructure development and innovation. Build Operate Transport (BOT) was the preferred project execution model in PPP projects.

Engineering, Procurement & Construction (EPC) Model

Engineering, Procurement and Construction (EPC) is a project delivery model in which a single contractor is responsible for the entire project lifecycle, from design and engineering to procurement and construction. The EPC contractor is also responsible for meeting the project's budget and schedule requirements.

Stages involved in the EPC model:

- **Project definition and planning:** This stage involves defining the project scope, budget, and schedule. The owner and the EPC contractor will also work together to develop a risk management plan.
- **Engineering:** The EPC contractor will develop the detailed engineering designs for the project. This includes designing the project's layout, selecting the appropriate materials and equipment, and developing construction plans.
- **Procurement:** The EPC contractor will procure all of the materials and equipment required for the project. This may involve bidding out contracts to subcontractors and suppliers.
- **Construction:** The EPC contractor will construct the project according to the engineering designs. This may involve managing multiple subcontractors and suppliers.
- **Commissioning and startup:** The EPC contractor will commission and start up the project, and ensure that it is operating properly. This may involve testing the project's systems and equipment, and training the owner's staff on how to operate the project.
- **Hand over:** The EPC contractor will hand over the completed project to the owner. This may involve providing the owner with all of the necessary documentation for the project.

Types of EPC Contracts:

DBC (Design-Build-Contract) and Item Rate contracts are two different types of EPC contracts.

DBC contracts are lump sum contracts in which the EPC contractor is responsible for the design, engineering, procurement, and construction of the project. The EPC contractor is also responsible for meeting the project's budget and schedule requirements.

Item Rate contracts are contracts in which the EPC contractor is paid for each item of work completed. The price for each item of work is agreed upon in advance between the owner and the EPC contractor.
DBC contracts are typically used for complex projects where the design is not yet fully developed. Item Rate contracts are typically used for projects where the design is fully developed and the scope of work is well-defined.

Advantages of DBC contracts:

- DBC contracts can help to reduce risks for the owner, as the EPC contractor is responsible for the entire project lifecycle.
- DBC contracts can also help to improve coordination between the design and construction phases of the project.
- DBC contracts can be more efficient and cost-effective than Item Rate contracts for complex projects.

- Disadvantages of DBC contracts:
- DBC contracts can be more expensive than Item Rate contracts, as the EPC contractor assumes more risk.
- DBC contracts can also be more complex to administer, as the EPC contractor is responsible for more aspects of the project.

Advantages of Item Rate contracts:
- Item Rate contracts are typically less expensive than DBC contracts.
- Item Rate contracts are also less complex to administer than DBC contracts.
- Disadvantages of Item Rate contracts:
- Item Rate contracts can be more risky for the owner, as the EPC contractor is not responsible for the design of the project.
- Item Rate contracts can also lead to disputes between the owner and the EPC contractor over the scope of work and the price of change orders.

The best type of EPC contract will depend on the specific needs of project. If there is a complex project where the design is not yet fully developed, then a DBC contract may be the best option. If a project where the design is fully developed and the scope of work is well-defined, then an Item Rate contract may be the best option. It is important to consult with a qualified professional to discuss the best type of EPC contract for the project.

Build Operate Transport (BOT) Model

BOT is a conventional PPP (public private partnership) model wherein the private partner is granted the concession to finance, build, and operate the project for a specified time (20-to-30-year concession period). The develop recoups their investment during this period by way of user charges / toll chargers. At the end of the concession period the developer hands over the project back to the public sector.

During O&M (Operation & maintenance) period, government and O&M by the concessionaire will manage toll collection. Under this model, amount financed by the concessionaire during construction period will be recovered by the government through annuity payment (biannually for15 years) along with interest payment based (on reducing balance method @ Bank rate +x%). Thus, lender of the project will be at comfort with assured annuity payment and private sector will not have to bear traffic risk. Over the years, BOT route has witnessed several innovations, spawning several variants.

Build Operate Transfer (BOT) Model & Variants	
Build Operate Transfer (BOT)	The BOT model adheres to a classic PPP structure where the private partner takes charge of the entire project lifecycle, from design and construction to operation, before eventually returning the facility to the public sector. Crucially, the private sector partner assumes the responsibility for financing and upkeep, making it particularly suitable for greenfield projects. Furthermore, the public sector permits the private entity to charge users for the services provided, ensuring financial sustainability
Build Own Operate (BOO)	In the BOO approach, a private entity retains ownership of the newly constructed facility. The public sector, in turn, agrees to procure the goods and services delivered by the project under mutually acceptable terms and conditions. This arrangement allows the private sector to maintain ownership while facilitating public access to essential services.
Build Own Operate Transfer (BOOT)	In this variation of the BOT model, the project eventually transitions to the government or a private operator after the agreed-upon period. The BOOT concept is commonly employed in the construction of highways and ports, exemplifying its utility in facilitating private sector involvement in infrastructure development.
Build Lease Transfer (BLT)	Under the BLT model, the asset is leased to the public entity for a defined period, while ownership remains with the private company. Unlike some other models, the public sector assumes responsibility for financing the investment, making it a unique partnership structure.
Build Own Lease Transfer (BOLT)	In the BOLT strategy, the government grants a building concession to a private company, potentially including the design phase. The facility may initially be owned by a private business, which can subsequently lease it to the public sector. Ultimately,

Build Operate Transfer (BOT) Model & Variants	
	ownership of the facility is transferred back to the government after the lease term expires.
Design Build Finance Operate (DBFO)	The DBFO model places the private party in full control of the project, encompassing design, construction, financing, and operation throughout the concession period. This comprehensive approach streamlines accountability and can be particularly attractive to clients seeking a single point of responsibility for project delivery and operation.
Lease Develop Operate (LDO)	Primarily employed in the development of airport facilities, the LDO model retains public ownership of the newly constructed infrastructure while establishing a lease agreement with the private promoter. Payments are made to the public sector under the terms of this lease, making it a valuable tool for enhancing airport infrastructure.
Design Construct Manage Finance (DCMF)	Under the DCMF model, private sector entities construct and manage the asset for a predetermined period, which can span from 20 to 50 years. The government compensates the contractor for the asset's use during this time, potentially diverting public spending from significant infrastructure projects to fund other public initiatives. This model finds application in various sectors, including jails, courts, and public hospitals.

Hybrid Annuity Model (HAM)

To boost and attract investment in road infrastructure project, government introduced new Hybrid Annuity Model (HAM) which is a mix of Engineering, Procurement and Construction (EPC) and Build-Operate-Transfer (BOT) formats, with the government and private companies sharing the total project cost in the ratio of 40:60 respectively.

Under HAM, the concessionaire is responsible for design, building, finance (60% of the project cost) and then transfer the project at end of operation period (15years). During O&M (Operation & maintenance) period, government and O&M by the concessionaire will manage toll collection. Under this model, amount financed by the concessionaire during construction period will be recovered by the government through annuity payment (biannually for15 years) along with interest payment based (on reducing balance method @ Bank rate +x%). Thus, lender of the project will be at comfort with assured annuity payment and private sector will not have to bear traffic risk. It will also reduce the initial capital outflow of the authority as against the investment made under EPC model.

Toll Operate Transfer (TOT) Model

The Toll-Operate-Transfer (TOT) model represents an innovative approach to capitalize on operational national highway projects. Investors participating in TOT offer a lump sum payment in exchange for the long-term rights to collect tolls, backed by a robust tolling system. In this framework, the highest bidder secures the privilege to operate and maintain existing road assets for a 20 to 30-year period, with the corresponding entitlement to toll revenues until that point.

One of TOT's primary advantages lies in its appeal to investors, as it obviates the need to initiate infrastructure projects from the ground up. This model effectively addresses the risk-sharing deficiencies often found in traditional Build-Operate-Transfer (BOT) agreements. Moreover, it serves as a consistent source of fresh funds for further investment in critical infrastructure.

The Indian government has embraced the TOT model as a means to bolster economic growth, envisioning the monetization of substantial infrastructure assets across sectors in the coming years through its Asset Monetization Programme. Specifically, under the asset monetization, the government aims to generate ₹85,000 crore by 2024-25. The monetization strategy for highways revolves around the TOT model, facilitating the infusion of private investment into the nation's infrastructure.

Structure of the Model

The government has granted approval for the National Highways Authority of India to undertake this initiative for public-funded NH projects that have been operational and generating toll revenues for a minimum of two years after the Completion of Development. The authorization process is subject to the approval of the Competent

Authority within the Ministry of Road Transport and Highways and NHAI, with individual cases being evaluated on a case-by-case basis.

Under the TOT Model, the right to collect and appropriate fees for selected operational National Highway projects, financed through public funding, is transferred to concessionaires, which can include developers and investors. In exchange for this right, these concessionaires make an upfront lump-sum payment to NHAI. The selection of projects for such rights assignment is based on their toll revenue potential. The concessionaires are responsible for the Operation & Maintenance obligations of these projects throughout the predetermined concession period.
To ensure transparency and uniformity in the selection of concessionaires, a transparent and standardized procurement process is adhered to, guided by a pre-defined and approved implementation framework. This approach not only facilitates the monetization of public-funded NH projects but also guarantees efficient management and maintenance of these assets, all while injecting private sector investment to support further infrastructure development in the nation.

Monetization Route & Status

The Ministry of Road Transport and Highways and the National Highway Authority of India have adopted various monetization avenues to enhance infrastructure development, with a focus on highways and associated assets. Currently, these monetization modes encompass three distinct approaches: the Toll-Operate-Transfer (TOT) model, Infrastructure Investment Trust (InvIT), and project-based financing, ensuring opportunities for all types of investors.

In FY 2024, MoRTH aims to mobilize substantial funds INR 15,000 crore is slated to be raised through project-based financing, which involves securitizing future toll revenues from high-speed corridors. Additionally, around INR 10,000 crore is planned to be generated through InvIT, an investment instrument resembling mutual funds, designed to accumulate capital from investors and invest in assets providing long-term cash flows. Furthermore, another INR 10,000 crore is targeted to be raised through bids under the TOT model, reflecting the government's commitment to leveraging this approach for infrastructure development.

MoRTH has already realized considerable success in asset monetization. By February 28, 2023, it had raised a total of INR 67,997 crore through various monetization methods over the past four years. Within this framework, approximately INR 26,366 crore has been raised by monetizing 1,614 kilometres of highways through the TOT model.

Current Status of TOT Projects

The National Highway Authority of India (NHAI) has adopted an ambitious plan for the toll-operate-transfer model in FY 2024. NHAI intends to invite bids for two bundles of TOT projects every quarter during this period. Bids for TOT bundles 13 and 14 were already invited in June, and the awards for these bundles are expected to be finalized by the end of September. Subsequently, TOT bundles 15 and 16 have been identified and are currently in the finalization process.

The NHAI aims to raise approximately INR 7,500 crore from the asset monetization of TOT bundles 13 and 14. Furthermore, the projects under TOT bundle 15 are valued at around INR 1,500-2,000 crore, while those in TOT bundle 16 have a higher valuation, ranging from INR 6,000-8,000 crore.

NHAI has been instrumental in these efforts, having awarded six TOT bundles, namely ToT-1, 3, 5A1, 5A2, 7, and 9, resulting in the collection of Rs 26,366 crore from bids solicited for 11 TOT bundles. However, some TOT bundles, specifically bundles 2, 4, 6, 8, and 10, were annulled due to lower bids compared to the initial estimated concession value determined by NHAI.

While NHAI is actively pursuing TOT model projects, there have been some challenges in awarding contracts. Earlier this year, bids were invited for TOT bundles 11 and 12 with the aim of raising a total of Rs 7,000 crore. However, these bundles received lower-than-expected bids, resulting in a limited number of participants. In fact, it's anticipated that bundles 11 and 12 may be annulled due to the insufficient response from bidders.

Nevertheless, NHAI remains committed to advancing infrastructure development through the TOT model, with plans to open bids for TOT bundles 13 and 14 by the end of September. These bundles encompass various critical road projects, including the Kota Bypass on National Highway 76, the Gwalior-Jhansi route on NH75, the Delhi-Meerut Expressway on NNH-334, the Delhi-Hapur section on NH-24, and the Binjabahal-Teleibani road on NH6, illustrating the continued effort to leverage the TOT model for the nation's infrastructure growth.

Amendments & Changes

As per the latest report by Ministry of Road Transport and Highways, certain amendments have been introduced to the Model Concession Agreements (MCA) and Request for Proposal (RFP) of road construction models, reflecting a proactive approach to enhance implementation efficiency and address industry demands.
Under the Hybrid Annuity Mode, changes have been implemented to bolster bidder eligibility criteria. The Standard RFP document now incorporates provisions related to technical capacity thresholds, focusing on similar work experience for EPC projects involving Major Bridges and Tunnels. This amendment enables the National Highways Authority of India to secure concessionaires with pertinent experience for HAM projects involving such critical components.

Modifications have also been made to the HAM project's RFP and MCA clauses to streamline the project award process. The amendment allows for the Lowest Quoted Bid Project Cost (BPC) to serve as the basis for awarding HAM Projects. Additionally, Operation and Maintenance costs are now fixed as in EPC projects. This change promotes transparency and efficiency by immediately identifying the winner after opening financial bids, aligning with the transparent process of the EPC mode.

In the realm of the Build-Operate-Transfer (Toll) model, changes have been introduced in the Model Concession Agreement. These changes permit a reduction in the ownership transfer timeline from 2 years to 1 year after the Commercial Operation Date (COD). This adjustment is set to free up equity and funds of construction companies, facilitating their involvement in other projects without undue financial constraints.

Additionally, the Ministry has taken measures to enhance contracting flexibility and ensure quality. Performance Security has been reduced from 5-10% to 3% of the contract value for existing contracts. However, additional performance security may be realized for abnormally low bids. Retention money release has been linked to work execution, and Performance Guarantee may be released on a pro-rata basis for HAM/BOT Contracts if the Concessionaire is compliant.

Moreover, additional changes were implemented to provide relief to contractors until October 31, 2022. These include the possibility of granting time extensions to Contractors/Concessionaires on a case-by-case basis. A waiver of penalties for the delay in submitting Performance Security/Bank Guarantee has been extended for new contracts initiated from April 2021 to June 2021, allowing a one-month grace period from the due dates. Consultants (I.E./ A.E./S.C.) are also eligible for time extensions on a case-by-case basis.

For BOT/ TOT Concessionaires, the reduction in user fee collection mandates a proportional extension of the concession period as outlined in the Concession Agreement. Similarly, for all National Highway Tolling Contracts, a reduction in fee collection can be offset in accordance with the User Fee Collection Contracts. Additionally, the achievement of Financial Closure for Concession Agreements entered between April-June 2021 may be extended by one month from the due dates, based on project location considerations.

HAM v/s BOT Project Execution Models
Comparative Analysis

The evolution of the infrastructure development models in India, specifically the Build-Operate-Transfer (BOT) and the Hybrid Annuity Model (HAM), has been marked by innovative solutions to address the challenges and limitations faced by traditional approaches. The BOT model, initially designed to harness private sector participation, allowed private players to not only construct but also operate and maintain roads for a predetermined period before handing them back to the government. This model aimed to leverage private investment and expertise to expedite infrastructure growth, with private entities arranging finances through toll revenue or annuity fees.

However, the BOT model encountered roadblocks over time. Private players faced significant financial burdens as they were required to fully finance the projects themselves, resulting in constraints due to the reluctance of banks to provide loans for such ventures. Moreover, the model's reliance on toll collection and traffic revenue exposed developers to the inherent risks of fluctuating passenger flows. This necessitated a shift towards a more sustainable and mutually beneficial model.

The Hybrid Annuity Model (HAM), introduced in 2016, merged elements of both the BOT-Annuity and the Engineering, Procurement, and Construction (EPC) models. Under HAM, the government assumed a more active role by sharing project costs, addressing the financing challenges that deterred private players under the BOT model. The government's contribution of 40% of the total project cost eased the financial burden on private developers and was paid out in ten equal instalments based on project milestones. This payment assurance significantly lowered the risk of investing in these projects, fostering increased participation.

HAM also brought stability to private developers by offering a fixed annuity payment, reducing their dependence on unpredictable passenger traffic. This assurance prompted private entities to shift their focus from solely revenue generation to effective construction and maintenance, ensuring the longevity and quality of the infrastructure. Additionally, the government's continued involvement in toll collection and maintenance ensured that road quality and service standards were upheld throughout the concession period.

While both the BOT and HAM models aimed to drive infrastructure development, HAM proved to be a more sustainable and attractive proposition for private players and the government alike. By mitigating the financial stress on private players and offering revenue certainty, HAM not only accelerated project implementation but also positively impacted road quality, user experience, and economic growth.

Key Challenges & Constraints

While both models have their advantages, each of them also comes with certain challenges.

Challenges under BOT:

- Profit Element in Equity Portion: In the BOT model, the private sector bears the risk associated with project financing. However, to compensate for this risk, a profit element is incorporated into the equity portion of financing, leading to higher costs compared to debt. This premium for risk-sharing can contribute to elevated overall project costs.
- Complex Deal Closure and Upfront Expenses: The preparation and closure of a BOT financing deal are often time-consuming and entail significant upfront expenses. The involvement of multiple entities and the requirement for a complex legal and institutional framework can hinder the timely execution of such deals. Consequently, the BOT model might not be suitable for small-scale projects due to the resource-intensive nature of the process.
- Institutional Capacity Development: The realization of the full benefits of the BOT model depends on the development of robust institutional capacity. This involves establishing transparent and equitable bidding and evaluation procedures, as well as mechanisms for dispute resolution during project implementation. Developing such institutional capacity takes time and can impact the efficiency of project execution.

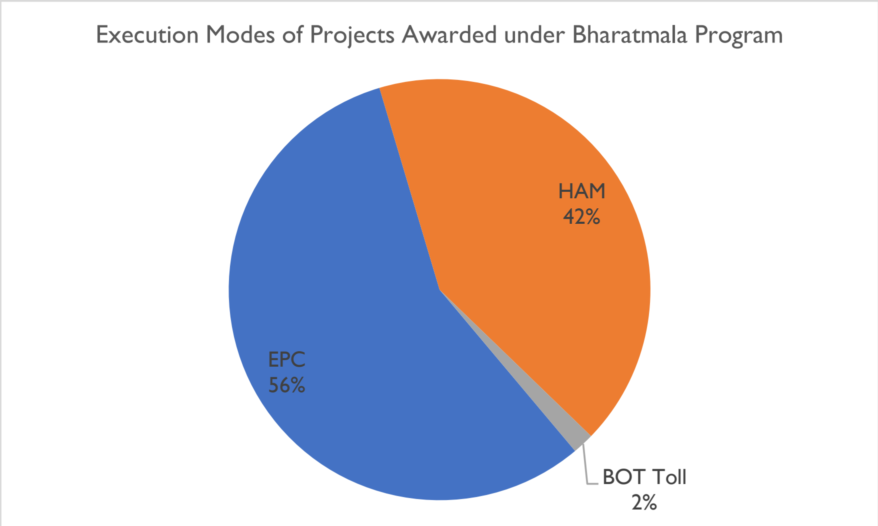
Challenges under HAM:

- Debt Financing: HAM projects rely significantly on debt financing for a substantial portion of the project cost. The availability, terms, and interest rates of debt financing can greatly impact the feasibility and financial viability of projects, influencing developer participation and project execution.
- Bid Sensitivity: The financial viability of HAM projects is extremely sensitive to the bid amounts quoted by developers during the bidding process. An overly aggressive bid might lead to financial strain during project execution, potentially affecting the quality of work or causing delays. Conversely, an excessively conservative bid might deter government approval, emphasizing the need for precise bid estimation to ensure project success.

Execution Mode: Prevalent Scenario

Projects Under Bharatmala Programme

Road construction projects under the program are executed by three modes: EPC, HAM and BOT. Out of this EPC and HAM accounts for 57% and 42% of the total road projects awarded (in kms) while only 2% is under the BOT route.

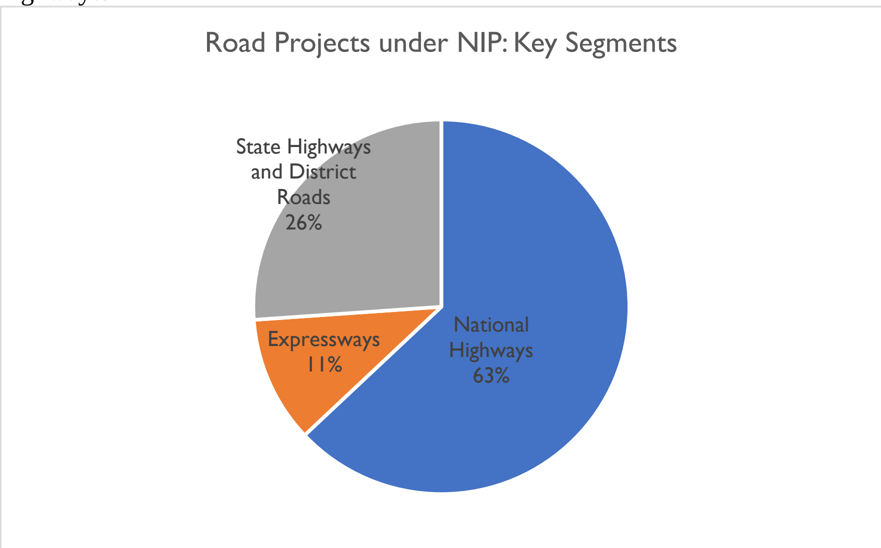


Source: MoRTH, 100% equals approximately 24,760 kms of awarded road projects

National Infrastructure Pipeline

The NIP unfolds a diverse range of projects spanning the infrastructure sector, each with its unique set of goals and objectives. Within this extensive framework, a substantial portion is dedicated to the roads sector, which forms the lifeline of India's logistics and transportation network. Over the period from FY20 to FY25, the NIP has allocated a total value of Rs 2,033,823 crore to the roads sector.

The road infrastructure segment is categorized into distinct project types, each with its strategic importance. Among the various project categories, National Highways projects take the lion's share, accounting for 63% of the resources allocated to the roads sector within the NIP. These projects aim to upgrade and expand the existing national highway network, enhancing their efficiency and capacity. The overall capital expenditure of Rs 1,280,640 crore is expected to be made from FY20 to FY25 to improve the existing and developing new national highways.



Source: Ministry of Finance, Government of India

Expressways, on the other hand, constitute another 11% of road infrastructure projects within the NIP. Over the period from FY20 to FY25, an estimated capital expenditure of INR 2,22,150 crore is earmarked for developing these expressways. Notable among these projects are the Delhi-Mumbai Expressway, Chennai-Bengaluru Expressway, Mumbai-Nagpur Super Expressway, Ganga Expressway, Purvanchal Expressway, and Bundelkhand Expressway. These expressways are poised to reduce travel times and enhance logistics, thus facilitating the movement of goods and people across the country.

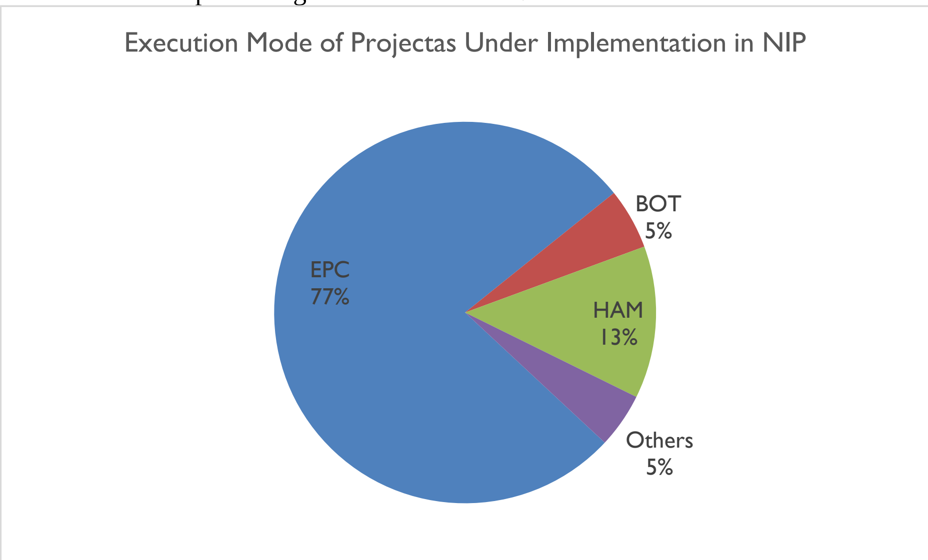
The NIP also recognizes the significance of improving intra-state connectivity. To this end, it allocates an estimated total capital expenditure of INR 5,31,027 over the five-year period from FY20 to FY25 for the development of state highways and district roads. Some notable initiatives include the Versova-Bandra Sea Link, the development of the Chennai Peripheral Ring Road (in multiple phases), the upgradation of high-priority state highways in Tamil Nadu, inner ring roads across cities in Andhra Pradesh, and the widening and strengthening of state highways in West Bengal.

A total of 1,820 road projects are getting implemented under NIP, between the time period FY 2020 – 25. Nearly 53% of these projects are already under various stages of implementation while remaining are either under development or under conceptualization.

Projects Under NIP	
Under Implementation	968
Under Development	423
Under Conceptualization Stage	352
Uncategorized	77
Total	**1820**

Source: Ministry of Finance

Out of the total projects getting implemented, nearly 77% is getting done through EPC route while nearly 13% is getting done through HAM. The remaining 10% is getting executed through BOT / Item Rate contract / Annuity / SPV / Toll. While most projects follow the EPC route, there are exceptions that require innovative implementation models. For instance, the Mumbai-Vadodara section of the Delhi-Mumbai Expressway is being developed under the non-specified Public-Private Partnership (PPP) route. The Uttar Pradesh government has taken the lead in implementing projects like the Ganga Expressway, Bundelkhand Expressway, and Purvanchal Expressway under the EPC route. These projects are pivotal in transforming the state's transportation infrastructure and promoting economic activities.



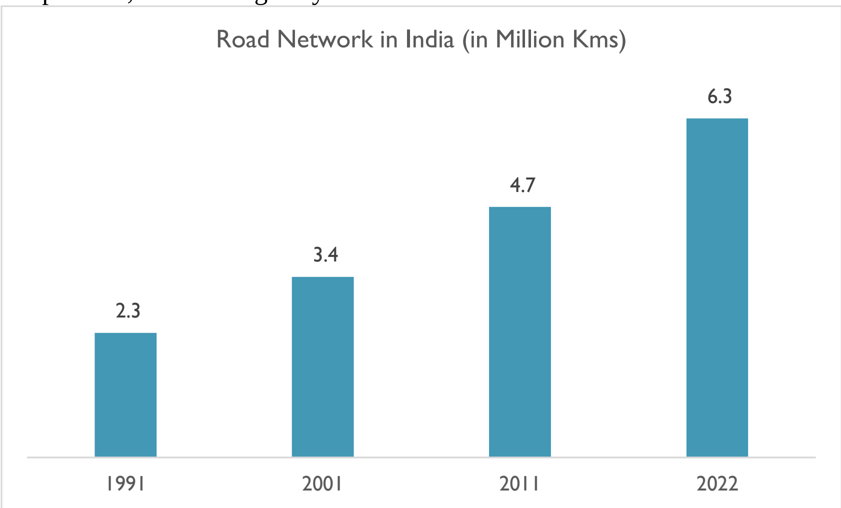
Source: Ministry of Finance

Projects which are currently under development are planned to have only two modes of implementation: HAM and EPC. EPC takes more than 71% share in this aspect, while HAM comprises of remaining 29%. The NIP recognizes the potential of the hybrid annuity model (HAM) for certain projects. Thus, 239 projects under this model are in the conceptualization stage. Notable among them are projects such as the Dighi Ports-Dabhol-Guhaghar-Jaigad Ports-Deogad-Malwan-Vengurla and Arunda Link in Maharashtra with an estimated investment of Rs 9,660 crore, the Chennai-Salem Link in Tamil Nadu with an investment of Rs 9,680 crore, the Kappirikkad-Edapally road link in Kerala with Rs 11,430 crore, and the Kabrai-Kanpur Link in Uttar Pradesh with an investment of Rs 5,760 crore. These projects are expected to gain momentum in the coming years and contribute to India's infrastructure development.

Road Infrastructure in India

India has a road network spanning approximately 6.4 million kms, making it the second largest in the world. This network – which comprises of national highways, state highways, district roads, and rural road – carries approximately 65% of country's freight traffic and nearly 90% of passenger traffic.

India also has the second largest highway network in the world[4], after the United States, spanning approximately 145,000 kms. The national highways however accounts for less than 2.5% of the total road network in India. Despite this, national highways account for 40% of the total traffic volume.



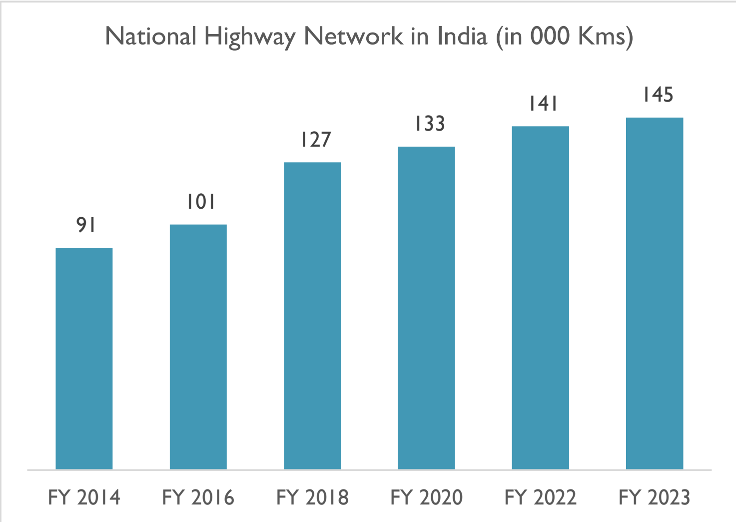
Source: Ministry of Road Transport & Highways, Government of India

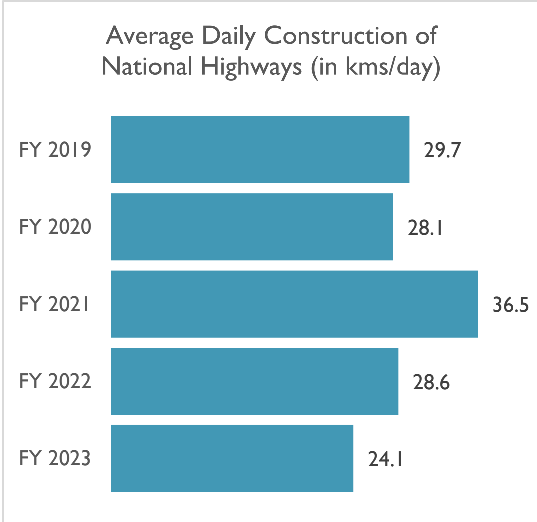
National Highway Network in India.

Implementation of favourable policy measures / programs, and aggressive push by the Government to increase the road network has accelerated the pace of road construction in the country. The switch to a corridor-based highway development strategy adopted by the Government, beginning 2014 – 15, has improved the pace of construction. The annual addition in road network reached its fastest during FY 2021, when the pandemic induced a lockdown in the country. Between FY 2015 and FY 2023, nearly 54,000 kms of road was added to the national highway network in the country, thereby taking it from approximately 91,000 kms to its present stretch of approximately 145,000 kms.

Average daily construction rate reached its highest level of nearly 36.5 kms/day in FY 2021, as the industry was benefitted by the lockdown measures imposed after the spread of Covid-19 pandemic. Since then, the average daily rate has dipped, to nearly 24 kms in FY 2023.

[4] Referring to National Highways





Source: Ministry of Road Transport & Highways, Government of India, D&B Research,
Average Daily Construction for FY 2023 is for period 1st April 2021 to 28 February 2023

Growth Trend

Over the years, the national highway network has undergone remarkable growth, evolving from a modest collection of roads to a vast expanse of well-connected highways. The pattern of growth in the network is characterized by distinct phases, where each phase has contributed to the network's growth and transformation. Among these, the Golden Quadrilateral and the North-South and East-West Corridors stand out as iconic examples that have played a pivotal role in shaping the expansion and connectivity of the network.
The Golden Quadrilateral program, initiated in the early 2000s, was a massive undertaking that aimed to connect several major industrial, agricultural, and cultural centers of India by connecting the four major metropolitan cities of Delhi, Mumbai, Chennai, and Kolkata through a network of high-quality highways. This project not only drastically reduced travel time between these economic centers but also spurred economic growth and trade across the regions it covered. The successful completion of the Golden Quadrilateral represented a significant leap forward in India's highway development efforts and showcased the country's capacity to undertake and execute ambitious infrastructure projects.

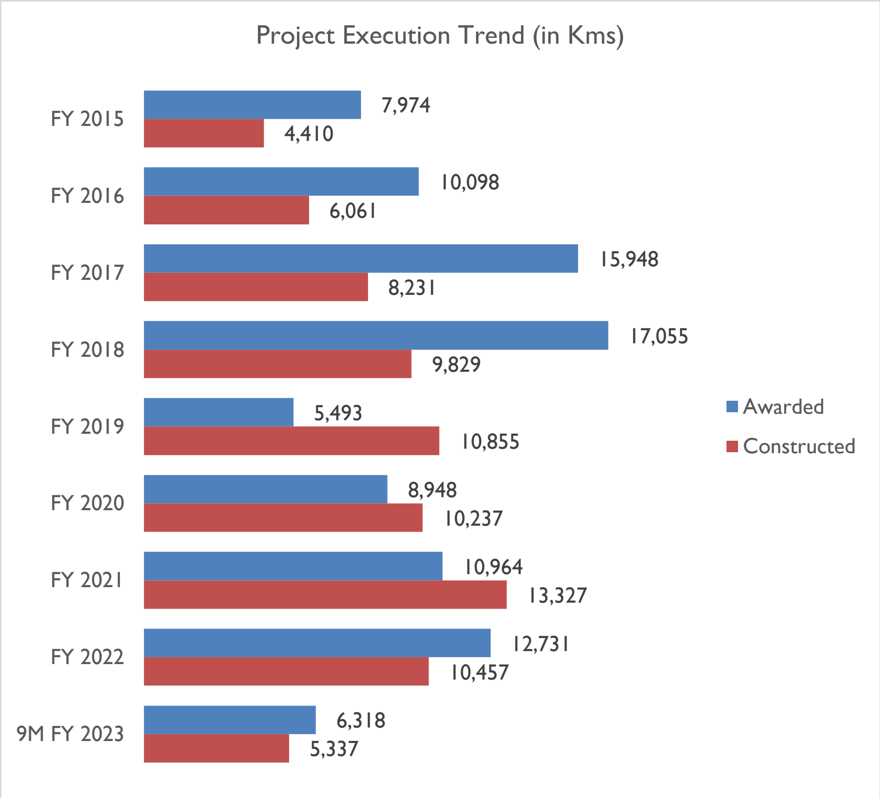
Similarly, the North-South and East-West Corridors are envisioned to enhance connectivity between the northern and southern regions, as well as between the eastern and western parts of the country, making them the largest ongoing highway project in India. These corridors are bringing together the previously disconnected areas into the fold of the national highway network, opening up new avenues for trade, tourism, and development.

In terms of individual states, Maharashtra boasts the most extensive network of national highways, encompassing a total distance of approximately 18,500 kilometres and accommodating 102 national highways within its borders. Uttar Pradesh secures the second position with a road span of nearly 12,300 kilometres and 88 national highways within the state limits. Following closely is Rajasthan, which possesses approximately 10,700 kilometres of highways hosting 52 national highways, while Madhya Pradesh boasts 9,000 kilometres and 46 national highway ys. Coming in fifth, Andhra Pradesh encompasses 8,00 kilometres of highways hosting 47 national highways.

States which have the highest concentration of national highway network	
State	**National Highway (in Kms)**
Maharashtra	18,500
Uttar Pradesh	12,300
Rajasthan	10,700
Madhya Pradesh	9,000
Andhra Pradesh	8.700

Source: Ministry of Road Transport & Highways, Government of India

Project Execution Trends in National Highway Construction

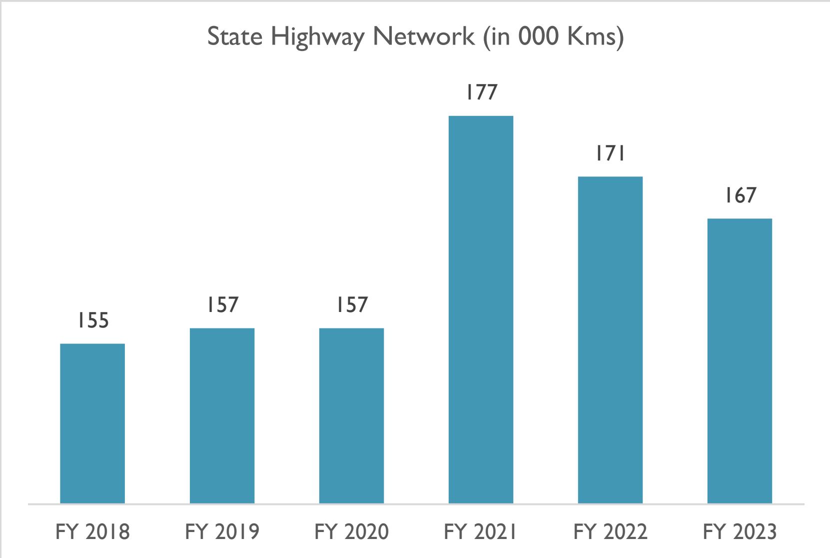


Source: Ministry of Road Transport & Highways, Government of India

Growth in Other Road Network

State Highways, the next major strategically important segment of Indian road infrastructure, accounted for nearly 3% of total network. Towards the end of FY 2023, the total network of state highways in India stood at approximately 167,000 kms. The total size of state highway network has seen a slight dip in the last couple of years as some of those state roads were reclassified and brought under the national highway segment – due to its strategic importance.

It is clear that national and state highways – two of the strategically important segment of Indian road infrastructure – accounts for less than 6% of the total road network in the country. The remaining 94% is accounted by other roads that are classified as district roads / rural roads / urban roads / project roads – depending on its location / program under which it was constructed / nature of paving.



Source: Ministry of Road Transport & Highways, Government of India

Key Demand Drivers
Growth in Population

Roads play a pivotal role in connecting not just major cities but also remote towns and even the smallest villages, serving as vital conduits for both vehicles and people. India, with its staggering population exceeding 1.428 billion individuals in 2023, represents a significant fraction of the global populace, constituting approximately 17.2% of the world's total inhabitants. Given this demographic enormity, the continuous development and enhancement of road infrastructure become nothing short of imperative.

Over the past 25 years, India's population has been on a persistent growth trajectory, averaging a 1.39% annual increase. Notably, in 1998, this growth rate reached 1.88%, while by 2022, it had moderated to 0.68%. This demographic expansion, while exhibiting fluctuations, highlights the nation's ongoing demographic dynamics. As the population continues to expand, so does the concurrent surge in demand for efficient transportation services and seamless connectivity.

In this context, the significance of robust and extensive road networks gains greater importance. These networks not only facilitate the movement of goods, services, and individuals but also catalyse economic development by fostering trade, tourism, and regional integration.

Urbanization

As per the handbook of urban statistics 2022, India's urban population has been on a steady rise, with urban dwellers accounting for over 469 million in 2021, a number projected to soar to over 558 million by 2031 and further exceed to 600 million by 2036.

This rapid urbanization represents the transformation occurring within Indian cities, as millions flock to urban centers in search of opportunities and a higher standard of living. However, this urban influx has given rise to a host of challenges, chief among them being increased congestion in urban areas. As more people gravitate towards cities, the existing road networks are under tremendous strain, resulting in traffic bottlenecks, longer commute times, and heightened pollution levels.

In response to this urban congestion, the development of road infrastructure has become an urgent imperative. The burgeoning urban population in India highlights the role of road infrastructure development, facilitating not only the movement of people and goods but also in alleviating the challenges posed by urban congestion.

Growth in Economic Activity

India's growing economic activities are propelling the development and expansion of road infrastructure across the nation. As the Indian economy continues its robust growth trajectory, it relies heavily on the presence of efficient transportation networks to facilitate the movement of goods and people. Roads play a vital role in opening up areas and stimulating economic and social development. They are essential for linking producers to markets, connecting workers to jobs, providing access to education and healthcare, and supporting overall development.

The development of roads, particularly in rural and remote regions of India, assumes great importance in overall progress and inclusivity. According to data from the Ministry of Rural Development, approximately 91% of rural habitations in India are now interconnected by roads. This extensive road network serves as a lifeline, granting rural communities access to essential services such as healthcare, education, and markets. It not only facilitates the transportation of agricultural produce from farms to markets but also enables people in these areas to access healthcare facilities, send their children to schools, and engage in economic activities beyond traditional agriculture.

Trade Expansion

India's trade landscape has witnessed substantial growth, as evidenced by the positive trajectory of overall exports (Merchandise and Services combined) in FY 2022-23, projecting a significant 13.84% growth over the previous fiscal year. This growing trade expansion is reflected in the rising trade figures. In the fiscal year 2022-23, India's total trade is estimated at USD 770.18 billion, a notable increase from the previous year's USD 676.53 billion. This surge in trade activities highlights the necessity for a robust road infrastructure network to ensure the smooth and efficient flow of goods to ports and airports.

In addition, India's Foreign Trade Policy for 2023 aims for dynamic openness and consultative feedback, with a clear objective of achieving USD 2 trillion in exports by 2030. To realize this ambitious goal, a well-connected and modernized road network is crucial, enabling the timely and seamless transportation of export goods.

Slope Stabilization

Slope stabilization refers to the application of various methods to solidify and stabilize a slope that is either inherently unstable or insufficiently stable. It includes a set of engineering techniques and measures aimed at preventing or mitigating the erosion, instability, and potential hazards associated with sloping terrain.

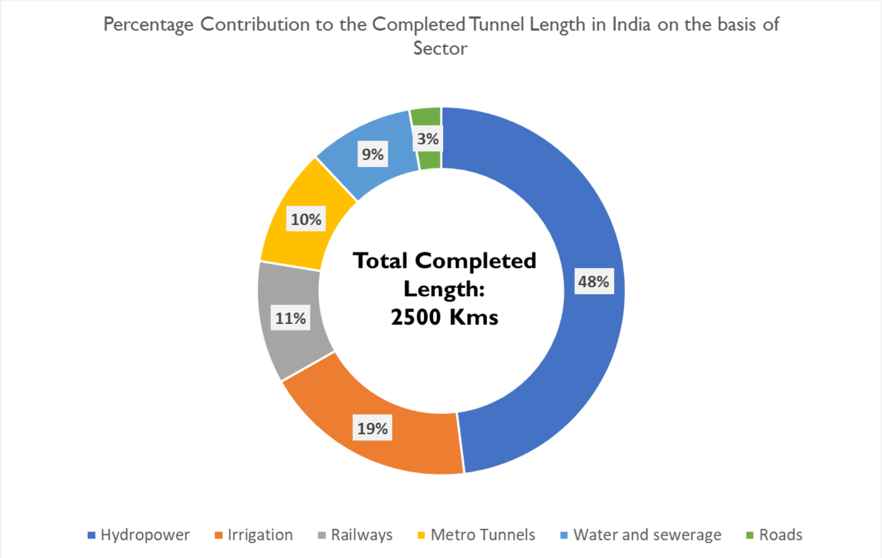
<u>Importance of Slope stabilization</u>

1. Safety: Slope failures, such as landslides and rockfalls, pose significant risks to road users and nearby communities. Stabilization measures help prevent these hazards, enhancing road safety.
2. Water Flow Direction: On steep slopes, water runoff tends to follow the path of least resistance, which is often downhill. If a slope is unstable, it can lead to erosion, landslides, or slippage of soil and rocks. This not only disrupts the road's structure but also channels water in unpredictable ways, increasing the velocity of runoff. High velocity water runoff in a hilly area can cause flash flooding, trigger or enhance impending landslides, and cause severe erosion of soil and terrain.
3. Erosion Control: Stable slopes with proper vegetation and erosion control measures help slow down and regulate the flow of rainwater. When slopes are stable, they prevent excessive soil erosion, which can carry sediment into drainage systems and water bodies, contributing to increased runoff velocity.
4. Preserving Infrastructure: Without effective slope stabilization, roads in hilly areas are vulnerable to erosion and landslides, which can lead to costly damage and disruption to several aspects. Stabilization measures protect the road infrastructure, minimizing maintenance and repair costs.
5. Accessibility: Roads in hilly regions are lifelines for communities, facilitating access to essential services like healthcare, education, and markets. Stabilization ensures uninterrupted connectivity, especially in remote areas.
6. Environmental Conservation: Properly designed and executed slope stabilization methods also consider environmental factors. They help prevent soil erosion, protect ecosystems, and reduce the sedimentation of water bodies.

Common slope stabilization techniques include retaining walls, rock bolts, slope reinforcement with geosynthetics, geometric techniques, hydrological techniques, chemical and mechanical stabilization techniques including vegetation management, and drainage systems.

Tunnel Infrastructure in India

India has a completed tunnel length of approximately 2,500 kms spanning across the country[5]. Hydropower sector dominates by contributing highest share of over 1200 Kms to the completed tunnel length, followed by irrigation, railways, metro tunnels, water and sewerage accounting for the more than 470 km, 270 km, 240 Km, 230 km of the completed tunnel length respectively and roads holding a share of 60 Km.



Source: India Infrastructure Research

With rapid urbanization, tunnel construction across the country has become an integral part of the entire infrastructure in India. The key sectors propelling the growth of tunnel construction in past few years are roads and highways, hydropower, urban rail, irrigation, and water. The tunnelling activity has spurred due to expansion of metro rail sector, roads and highway tunnels are also fuelling the demand especially in the hilly regions coupled with government initiatives such as Pradhan Mantri Krishi Sinchayee Yojana, the Jawaharlal Nehru National Urban Renewal Mission for exploitation of water resources and the interlinking of Rivers Programme which has given a boost to tunnel construction in the country for purposes like irrigation, water supply and sewerage.

Tunnel Construction: Techniques

With advancing tunnel techniques and underground space engineering, the tunnel construction in the country is becoming faster and more efficient. Upcoming supply is expected to be added by deploying techniques such as DBM, NATM and TBMs for tunnel construction.

Drill and Blast Method (DBM): This is the most widely used tunnelling technique in India, accounting for over 60% of all tunnel projects. More than 200 Kms of tunnel length is expected to be added as upcoming supply deploying DBM techniques. It involves drilling holes into the rock face and then blasting them with explosives to break up the rock. The broken rock is then removed from the tunnel using excavators and dump trucks.

New Austrian Tunnelling Method (NATM): NATM is a flexible tunnelling method that can be used to excavate tunnels in a variety of ground conditions, including unstable rock and soft ground. More than 200 Kms of tunnel length is expected to be added as upcoming supply deploying NATM technique. It involves excavating the tunnel in small sections and then supporting the tunnel walls and roof with temporary supports, such as rock bolts and shotcrete.

Tunnel Boring Machine (TBM): TBMs are used to excavate tunnels through a variety of ground conditions, including hard rock, soft rock, and soil. More than 350 Kms of tunnel length is expected to be added as upcoming supply deploying TBM technique. They are large, rotating machines that have a cutting head at the front. The cutting head breaks up the rock or soil and then transports it out of the tunnel on a conveyor belt.

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[5] India Infrastructure Research

Microtunnelling: Microtunnelling is a trenchless construction method that is used to install pipelines and sewers beneath roads, railways, runways, harbors, rivers, and environmentally sensitive areas. Microtunnelling machines are small, remote-controlled machines that can excavate tunnels with diameters of up to 3 meters.

The choice of tunnelling technique depends on a variety of factors, including the ground conditions, the tunnel diameter, the tunnel length, and the cost. In recent years, there has been a growing trend towards the use of TBMs in tunnel construction in India. This is due to the fact that TBMs offer a number of advantages over traditional methods, such as DBM, including: Increased speed and efficiency, Reduced environmental impact, Improved safety, Higher quality tunnels. However, TBMs are also more expensive than traditional methods, and they may not be suitable for all tunnel projects.

Recent Advances

In recent years, contractors have begun to explore modern techniques and innovative materials for tunnel construction. These include:

Advanced features such as video surveillance, integrated tunnel control systems, entrance detection control, wireless communication systems, electrical fire signaling systems, SOS call boxes, sequential excavation, and ground freezing.Innovative materials such as fiber bolts, lining stress controllers, geosynthetics, and steel anchors. The Zoila tunnel in India is a prime example of a smart tunnel with safety features such as a fully transverse ventilation system, CCTV monitoring, emergency lighting, traffic logging equipment, and a tunnel radio system. In addition, new technologies are being used in tunnel construction for better geological and geotechnical investigations. Aerial and photogrammetry-based surveys are being conducted, and GPS-based systems with high accuracy levels are being used to map difficult terrain.

New and innovative materials are also being used to improve the durability and strength of tunnels. The application of unique and cutting-edge materials has become essential due to the increasing complexity of tunnel construction, especially in the Himalayan and peninsular regions. Tunnel contractors have begun utilizing a variety of innovative materials, such as mechanical single bolts, expanding friction bolts, self-drilling rock bolts, steel- and fiber-reinforced polymer active anchors, and steel passive anchors, for increased construction efficiency.

Growth drivers

The growth of tunnel construction in India is being driven by a number of factors, including:

Government investment in infrastructure: 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.

Rapid urbanization: India is one of the fastest urbanizing countries in the world. This is leading to increased demand for new infrastructure in urban areas, including tunnels to reduce traffic congestion and improve connectivity.

Development of hydropower projects: India has a vast hydropower potential, and the government is developing a number of hydropower projects. This is driving a demand for new tunnels to divert water and generate electricity.

Geopolitical factors: India borders several countries with which it has complex geopolitical relationships. The construction of tunnels in border areas can help to improve connectivity and security.

In addition to these general growth drivers, there are a number of specific factors that are contributing to the growth of tunnel construction in different sectors in India. For example, the growing popularity of metro rail systems is driving a demand for new tunnels in urban areas. The development of new highways and expressways is also driving a demand for new tunnels to cross mountains and rivers.

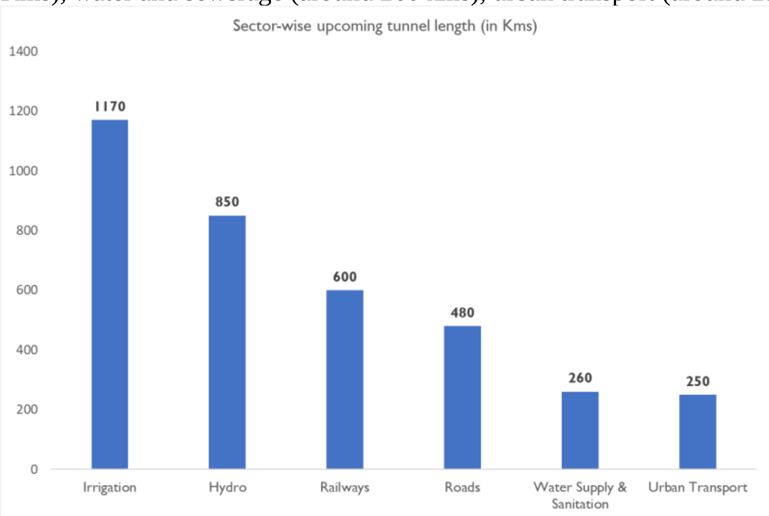
The Indian government has recognized the importance of tunnel construction for the country's development. It has launched a number of initiatives to promote tunnel construction, such as the Tunneling Association of India

(TAI) and the National Tunnel Development Authority (NTDA). These initiatives are helping to create a more conducive environment for tunnel construction and attract investment in the sector.
The growth of tunnel construction in India is expected to continue in the coming years. The government has ambitious plans for infrastructure development, and tunnel construction will play a key role in achieving these goals.

Upcoming Supply

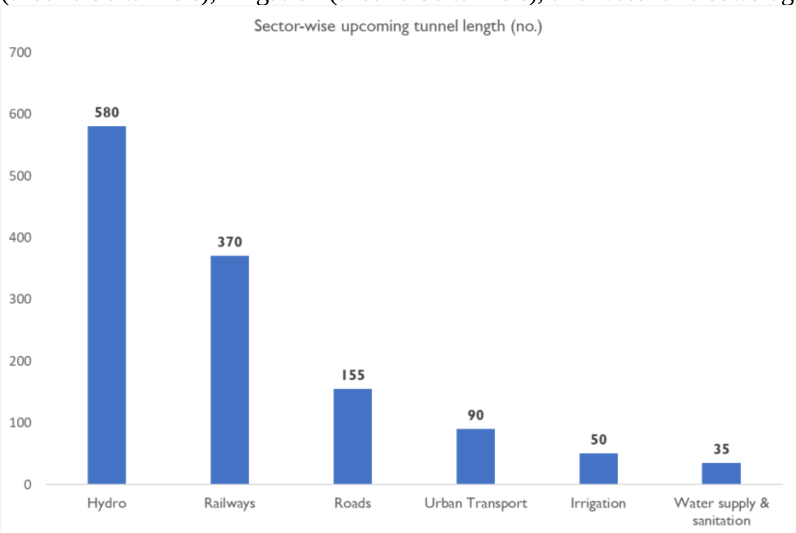
With more focus on Indian Infrastructure, the tunnelling sector is expected to propel with a strong pipeline network of 1300 tunnels, spanning around the country with a length of more than 3,600 km. When compared state-wise in terms of upcoming tunnels, Jammu & Kashmir is the leader with around 200 tunnels upcoming, followed by Maharashtra (around 140 tunnels), Himachal Pradesh (more than 100 tunnels), Andhra Pradesh (around 90 tunnels) and Arunachal Pradesh (around 80 tunnels). In terms of upcoming length, Maharashtra has the maximum share with over 1,100 km, followed by Jammu & Kashmir with over 460 km and Uttarakhand with more than 280 km.

When compared sector-wise in terms of upcoming length, Irrigation sector dominates by contributing highest share of over 1170 Kms, followed by hydro (around 850 Kms) , railway, (around 600 kms), roads (around 480 Kms), water and sewerage (around 260 kms), urban transport (around 250 kms) .



Source: India Infrastructure Research

When compared sector-wise in terms of upcoming length, Hydro sector dominates by contributing highest share of over 580 tunnels, followed by railways (around 370 tunnels) , roads (around 155 tunnels), urban transport (around 90 tunnels), irrigation (around 50 tunnels), and water and sewerage (around 35 tunnels).



Source: India Infrastructure Research

Challenges face during Tunnel Construction in India

India is a rapidly developing country, and there is a growing demand for tunnels to support infrastructure development. However, there are a number of challenges and pain points associated with tunnel construction in India, including:

Complex geology: India has a wide range of geological conditions, from hard rock to soft soil. This can make it difficult to choose the right tunnel construction technique for each project.

Difficult terrain: Many of India's tunnel projects are located in difficult terrain, such as mountains and jungles. This can make it difficult to transport equipment and materials to the project site.

Environmental concerns: Tunnel construction can have a significant impact on the environment. In India, it is important to consider the impact of tunnel projects on forests, wildlife, and water resources.

Lack of skilled labor: India has a shortage of skilled tunnel construction workers. This can lead to delays and cost overruns on projects.

Financial constraints: Tunnel construction is a capital-intensive activity. India faces a number of financial challenges, which can make it difficult to secure funding for tunnel projects.

In addition to these general challenges, there are a number of specific pain points associated with tunnel construction in India. For example, the Indian Railways has a history of tunnel construction delays and cost overruns. This is due to a number of factors, including complex geology, difficult terrain, and environmental concerns.

The Indian government is aware of the challenges associated with tunnel construction, and it is taking steps to address them. For example, the government has established a number of training institutes to train skilled tunnel construction workers. The government is also working to improve the regulatory environment for tunnel construction.

Despite the challenges, tunnel construction is a vital part of India's infrastructure development. Modern tunnel construction techniques are helping to overcome the challenges and accelerate the development of tunnels in India

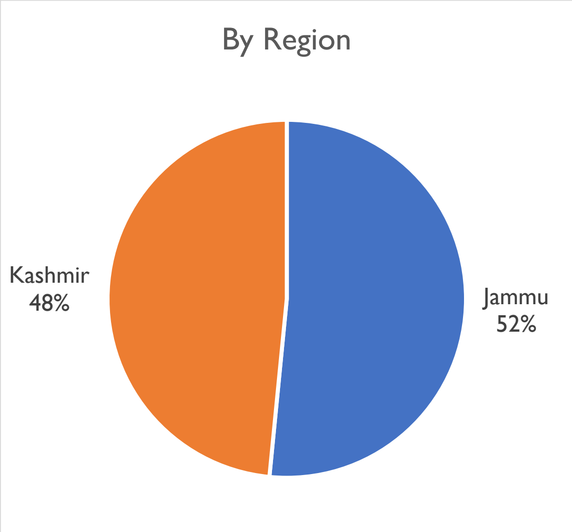
Road Infrastructure in Union Territories Jammu & Kashmir and Ladakh

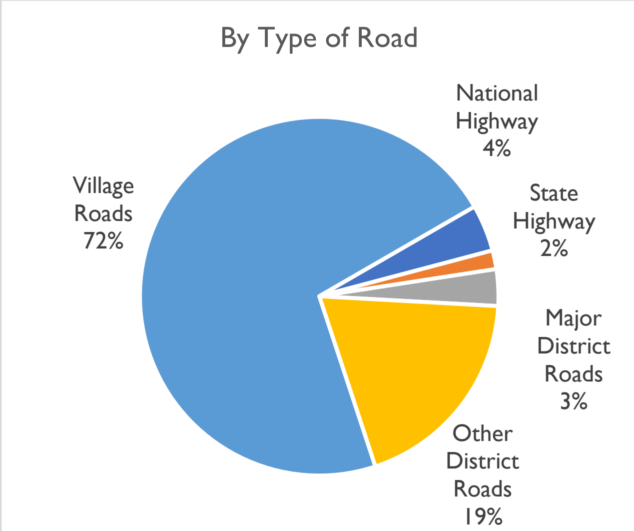
As Union Territory of Jammu and Kashmir has been rapidly emerging as one of the fastest-developing economies in the country, the Indian Government, recognizing the significance of infrastructure development in the region and particularly in border regions, has initiated and are coming up with various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

As of 2022, the region boasts an extensive network of roads spanning over 41,000 kilometers. This transformation has played a pivotal role in not only enhancing economic growth but also in fostering connectivity that has bridged geographical and developmental gaps within the region.

Managed by the Ministry of Road Transport and Highways, the primary road system consists of expressways and national highways. National Highways, totalling 1,735 kilometers, play a pivotal role in connecting and unifying major regions within the UT. While they make up a relatively small portion of the road network in terms of length, they bear a substantial share of the total traffic flow across the Union Territory. These roads serve as crucial links for transportation, connecting major regions within the UT and facilitating trade and movement of goods.

Road Infrastructure in Jammu & Kashmir





Source: Public Works (R&B) Department, Government of J&K, 100% Equals approximately 41,000 kms

The secondary system of roads, comprising State Highways (SHs) and Major District Roads (MDRs), plays a complementary role in the transportation network. State Highways provide essential linkages to National Highways, district headquarters, key towns, and tourist destinations. Major District Roads, on the other hand, serve as connectors within districts, linking production areas with markets and rural regions with urban centers. State Highways total a length of approximately 696 kilometers while Major District Roads have an expanse of 1359 kilometers. These roads are the lifeblood of local economies, facilitating the movement of raw materials and finished products, thereby contributing significantly to both rural and industrial development.

In the past, Jammu and Kashmir, with its predominantly rural-oriented economy and a substantial rural population, lacked the tertiary system of rural road connectivity. A significant number of habitations did not have access to all-weather roads, which adversely affected the quality of life for rural residents. Under the Pradhan Mantri Gram Sadak Yojana (PMGSY) program, a concerted effort was made to develop rural roads. This initiative encompassed both Other District Roads (ODR) and Village Roads (VR).

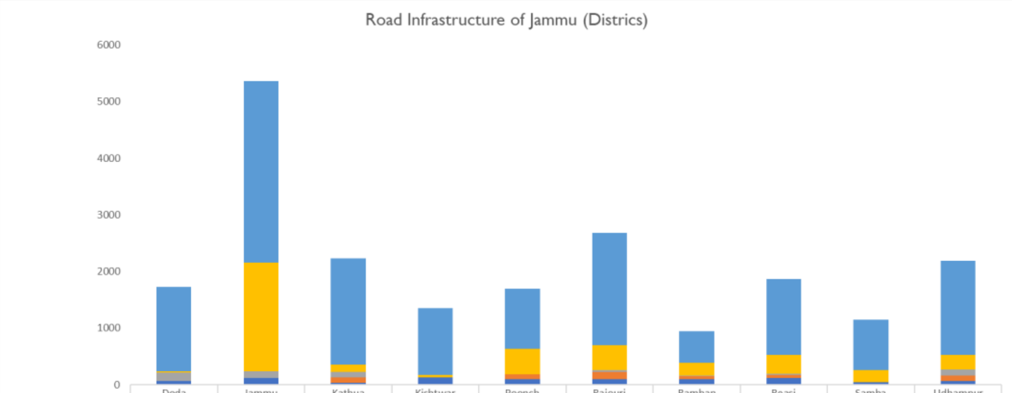
Now, ODRs, with a total length of over 7,838 kilometers, serve as lifelines for rural areas of production, ensuring the efficient transportation of goods to market centers, blocks, tehsils, and main roads. Simultaneously, VRs, with the longest expanse of 29,512 kilometers, contribute to enhancing last-mile connectivity within villages, bringing essential services closer to rural communities.

Road Infrastructure in Jammu

The road infrastructure in Jammu is diversified among various departments and organizations, contributing significantly to its connectivity and development. Jammu's road network includes a total of 877 kilometers of National Highways, 494 kilometers of State Highways, 545 kilometers of Major District Roads, and 4053 kilometers of Other District Roads. Additionally, there are 15,238 kilometers of Village Roads that further extend the reach of the road infrastructure into rural areas. In total, the road network in Jammu spans an impressive 21,207 kilometers, reflecting the region's commitment to connectivity and development across various road categories.

Pradhan Mantri Gram Sadak Yojana (PMGSY) program in Jammu plays a crucial role, primarily focusing on Village Roads with 6441.87 kilometers and Other District Roads encompassing 436 kilometers. The total length under PMGSY in Jammu amounts to 6,878.02 kilometers, resulting in construction and management of 32.4% of the total roads. Furthermore, Municipal Roads in Jammu contribute 514 kilometers or 2.4% share, primarily in urban areas.

Jammu has 10 districts under its belt, with Jammu district having the largest expanse of 5366 kilometers. This is followed by Rajouri (2,685 kilometers), Kathua (2,230 kilometers), and Udhampur (2188 kilometers) districts. Together, they contribute to approximately 60% of the total road expanse in Jammu.



	Doda	Jammu	Kathua	Kishtwar	Poonch	Rajouri	Ramban	Reasi	Samba	Udhampur
Village Roads	1482.96	3205.19	1874.53	1178.48	1059.97	1986.03	554.47	1338.95	893.36	1664.12
Other District Roads	30.7	1921.06	133.55	43.9	458.29	439.14	228.25	330.99	210.01	257.82
Major District Roads	146.36	123.66	95.06	0	0	39	7.41	24	7.83	101.33
State Highway	0	0	89	0	78.6	121.21	53	54.5	0	97.33
National Highway	65	116.51	38	129	100	100	102	120	39	67.8

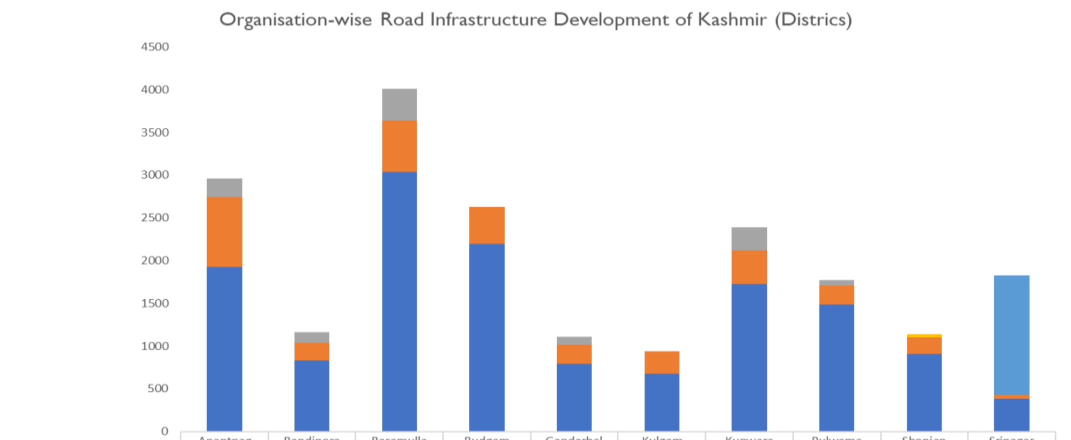
Source: Public Works (R&B) Department, Government of J&K

Majority of the construction work in Jammu and Kathua district has been done by R&B Jammu, whereas Rajouri and Udhampur districts have seen major contributions from PMGSY programme. The age-old Mughal Road passes through only one district: Poonch.

Road Infrastructure in Kashmir

Kashmir's road network includes a total of 858 kilometers of National Highways, 202 kilometers of State Highways, 814 kilometers of Major District Roads, and 3,785 kilometers of Other District Roads. In addition, there are 14,274 kilometers of Village. This comprehensive road infrastructure totals 19,933 kilometers.

Kashmir has 10 districts under its belt, with Baramulla district having the largest expanse of 4011 kilometers. This is followed by Anantnag (2,958 kilometers), Budgam (2,629 kilometers), and Kupwara (2,390 kilometers) districts. Together, they contribute to over 60% of the total road expanse in Kashmir. Majority of the construction work in all the districts in Kashmir has been done by R&B Kashmir, whereas the PMGSY Kashmir Programme has been the second biggest contributor to the road network. The age-old Mughal Road passes through only one district in Kashmir: Shopian.



	Anantnag	Bandipora	Baramulla	Budgam	Ganderbal	Kulgam	Kupwara	Pulwama	Shopian	Srinagar
Muncipal Roads Srinagar	0	0	0	0	0	0	0	0	0	1394.63
Mughal Road	0	0	0	0	0	0	0	0	40.6	0
NHAI/NHIDCL/BRO	213.43	124.89	369.75	0	90.32	0	269.06	56.43	0	4.82
PMGSY Kashmir	816.92	209.86	602.43	434.26	227.81	259.32	393.71	228.06	195.65	47.34
R&B Kashmir	1927.46	829.02	3039.3	2194.29	790.2	677.45	1726.86	1484.67	904.75	379.94

Source: Public Works (R&B) Department, Government of J&K

Government Focus

In recent years, the Union Territory of Jammu and Kashmir (J&K) has witnessed a remarkable transformation in its road infrastructure. The Government of India, with a focused approach, has undertaken substantial efforts to improve connectivity and reduce travel time across the region.

The journey towards improving road infrastructure in Jammu and Kashmir gained momentum after 2019. The government's dedicated attention to major highways has significantly reduced travel time between key destinations in the Union Territory. Previously, the journey from Jammu to Kishtwar, which once took 7.5 hours, has now been streamlined to a mere 5 hours. Similarly, travel between Jammu and Srinagar, which previously ranged from 7 to 12 hours, has been condensed to a more manageable 5.5 hours. The benefits extend to Srinagar to Gulmarg routes, which have seen travel times decrease from 3 hours to just 1.5 hours. Moreover, the extended layover of trucks on the road has been significantly reduced from 24-72 hours to a mere 12 hours, marking a substantial improvement for the transportation of goods and services.

Over the period of 2020-2022, road and tunnel infrastructure have been prioritized, with approximately one lakh crore being allocated for the construction of a robust road network. In 2021, Jammu and Kashmir set a new record by constructing 6,450 kilometers of road length, earning it the third rank in the country for the longest road length.

An important aspect of this transformation is the marked increase in the percentage of blacktop roads. The total road length in J&K has surged to 41,141 kilometers, with blacktop roads constituting 74 percent, compared to 66 percent in 2019. Additionally, to strengthen the transport system, 169 bridges have been constructed during the years of 2020 to 2022.

Notably, the average road macadamization rate in J&K has surged to 20.6 kilometers per day over the past years, up from a mere 6.54 kilometers per day before 2019. These statistics reflect the significant progress taking place in the region's road development efforts.

The significance of these efforts was brought out by Jammu and Kashmir achieving the third position in terms of road network development, following Madhya Pradesh and Rajasthan. Udhampur district stood out, securing the top position nationally for successfully implementing the PMGSY in 2020-21 by constructing 560.49 kilometers of roads. This achievement marked a significant indicator of progress.

The Pradhan Mantri Gram Sadak Yojana (PMGSY) has played a pivotal role in these achievements. According the Ministry of Rural Development, a total of 2,967 projects have been completed under the Pradhan Mantri Gram Sadak Yojana (PMGSY), covering a distance of 17,798 km and connecting 2,096 habitations. Since the abrogation of Article 370 in Jammu and Kashmir in August 2019, the union territory has shown improvement in the annual construction of roads. It held the ninth rank in Financial Year (FY) 2016-17, 11th rank in FY 2017-18, 12th rank in FY 2018-19, and then improved to the ninth rank in FY 2019-20. In the following years, it further improved to the third rank in both FY 2020-21 and FY 2021-22.

Beyond these notable achievements, the government has also paid particular attention to addressing the issue of potholes on roads. Under the Pothole Free Road Programme, a target of 5900 kilometers was set for the year 2021-22. Remarkably, 4600 kilometers of road length has already been made pothole-free, demonstrating a clear commitment to ensuring the quality of road infrastructure.

The approval of PMGSY-III, allocating 1,276 kilometers and Rs 1,357 crore for J&K, further emphasizes the government's commitment to providing all-weather road connectivity to previously unconnected habitations. This milestone marks yet another significant step in improving rural connectivity within J&K, supported by the Central Government's backing of the Union Territory's efforts to enhance rural infrastructure.

The inauguration of numerous development projects by the Lieutenant Governor in both the Jammu and Kashmir divisions signifies a commitment to enhancing the prosperity and well-being of citizens in remote areas. These projects encompass a wide range of initiatives, including road connectivity, which contributes to enhancing tourism potential and connecting crucial commercial centers. The inauguration comprised 75 development projects worth Rs 186.14 crore, underlining the multi-faceted approach to improving infrastructure in the region.

In addition to PMGSY, several other schemes and initiatives have been instrumental in advancing road infrastructure in Jammu and Kashmir. The Central Road and Infrastructure Fund, NABARD, road sector projects, and schemes dedicated to cities and towns, macadamisation, languishing projects, and pothole-free roads have all played crucial roles in the construction, improvement, and upgrade of roads and bridges.

In addition to these achievements, it's the government has taken significant steps to connect even more habitations through road networks. All habitations with over 1000 population (as per the 2011 census) have been provided road connectivity, contributing to greater accessibility and mobility for a larger portion of the population. Furthermore, there is an ongoing commitment to provide road connectivity for habitations with a population of 500 by 2022-23, demonstrating a focus on improving transportation infrastructure.

The development of road infrastructure has effectively bridged the gap between urban and rural areas in Jammu and Kashmir. It has resulted in reduced travel time, making essential amenities such as healthcare, education, and markets more accessible. This improved connectivity ensures that the benefits of development reach every corner of the region.

Key Demand Drivers

The expansion of the road network in Jammu and Kashmir is influenced by several key external factors that play a significant role in driving infrastructure development in the region. These factors include:

- Strategic Importance: Jammu and Kashmir holds immense strategic importance for India due to its proximity to international borders. It shares borders with Pakistan, Afghanistan and China, and the development of road networks in this region is crucial for national security. The challenging terrains of the region, including mountainous areas, demand efficient road infrastructure to ensure the rapid mobilization of troops and equipment. In times of conflict or border tensions, these roads become essential for troop movement and reinforcement, enabling a quicker response to any security threats.
- Tourism Industry: J&K's natural beauty make it a prime tourist destination. Expanding and improving road networks in the region is vital for the growth of tourism. Accessible roads allow more tourists to visit, boosting the tourism industry and, consequently, the local economy. This improved connectivity enhances the appeal of the region as a tourist hotspot, generating revenue and employment opportunities in hospitality and related sectors.
- Economic Development: Road infrastructure is a cornerstone of economic development. Improved connectivity through well-maintained roads enables the transportation of goods and commodities. This promotes trade not only within the region but also with other parts of India. Additionally, better road networks attract investment in various sectors, including manufacturing and agriculture. As economic activity increases, it leads to job creation and improved economic opportunities for the local population, ultimately raising their standard of living.
- Trade and Commerce: J&K's geographic location places it in a strategically advantageous position for trade. It can serve as a trade hub connecting northern India with Central Asia and beyond. Well-developed road networks facilitate the smooth flow of goods, reducing transportation costs and making the region more attractive for businesses looking to expand their market reach. This increased trade activity benefits the local economy and strengthens the overall trade network between different regions.
- Government Initiatives: The Indian government recognizes the significance of infrastructure development, particularly in border regions like J&K. Initiatives such as the Pradhan Mantri Gram Sadak Yojana allocate funds for rural road development. These projects aim to improve road connectivity in remote and underserved areas of J&K, enhancing accessibility for its residents and fostering overall development.
- International Relations: Bilateral and regional relations play a pivotal role in driving infrastructure development. Efforts to strengthen diplomatic ties with neighboring countries can lead to cross-border road connectivity projects. These initiatives promote economic cooperation, trade, and cultural exchanges. For example, road links with countries like Nepal or Bangladesh can boost regional trade, while cross-border roads with China and Pakistan can enhance diplomatic and economic relations, reducing tensions through increased connectivity and cooperation.

Upcoming Projects in the State

In the recent years, J&K has received a boost in road infrastructure development. In recent years, the government's relentless focus on improving road infrastructure in the Union Territory of Jammu and Kashmir (J&K) has ushered in a wave of transformation, revolutionizing connectivity and fostering economic prosperity across the region. This remarkable journey commenced in earnest after 2019 when the government directed its attention towards major highways, resulting in a considerable reduction in travel time between significant destinations within J&K.

Major Upcoming Projects	
Jammu and Srinagar MetroLite	The Jammu and Kashmir administration has put forth a comprehensive plan to introduce the MetroLite system in its cities. This initiative encompasses a 25 km MetroLite line in Srinagar and a 23 km MetroLite line in Jammu. The Jammu Light Rail System, spanning 23 km, will stretch from Bantalab to Bari Brahmana, with 22 stations along the route. In contrast, the Srinagar Light Rail System will cover a 25 km distance, divided into two 12.5 km segments from Indira Nagar to HMT Junction and Hazuri Bagh Osmanabad, respectively, hosting a total of 24 stations, with 12 stations on each corridor. The Jammu MetroLite project, estimated at Rs. 4,825 crores in Phase 1, will encompass 23 km of track, two elevated lines with 22 stations, and an interchange station at the Exhibition Grounds. In Phase 2, both lines will be extended, resulting in a total route length of 43.50 km, comprising four metro lines with 40 stations. The anticipated completion date for the Jammu metro is 2026. Similarly, the Srinagar MetroLite project, valued at Rs. 5,734 crores in Phase 1, will involve 25 km of track, two elevated lines with 24 stations, and an interchange station at the Exhibition Grounds. Phase 2 will witness extensions of both lines, leading to a total route length of 35 km, featuring three metro lines with 34 stations. The projected completion date for the Srinagar metro aligns with that of Jammu, set for 2026. Phase I of the combined Jammu and Srinagar MetroLite projects will require a total investment of Rs. 10,599 crores, with funding support from the Japan International Cooperation Agency (JICA), providing Rs. 5,734 crores for Srinagar and Rs. 4,825 crores for Jammu.
Amarnath Marg Project	The 110-kilometer-long four-lane road project, known as Amarnath Marg, has received approval for construction in the Pahalgam region of Jammu and Kashmir. This project, with an estimated cost of Rs 5300 Crores, is a significant development. It's part of a broader effort to complete the four-laning of the Srinagar-Jammu National Highway, which, once finished, will significantly reduce travel time between the two capital cities to just three-and-a-half hours. Within this project, a 73-kilometer stretch from Khannabal to Chandanwari will be constructed at an estimated cost of Rs 1800 Crores. Additionally, a 10.8-kilometer-long tunnel will be built along the Sheshnag to Panjtarni route. These improvements will dramatically decrease the travel time from Srinagar to the Amarnath cave shrine, making it possible to reach the shrine in just 8-9 hours, a significant improvement from the previous three days.
Upgradation of Khellani Tunnel	The Uni-Directional Khellani Tunnel, located in the Doda district, is set to undergo a crucial upgrade to transform it into a two-lane structure. This project encompasses several improvements, including the addition of a paved shoulder and enhancements to its approach road on National Highway-244. The total length of this transformative endeavor spans 2.419 kilometers and falls under Package 3. The improved tunnel will ensure year-round accessibility. This development is expected to bring substantial economic benefits to the local community and residents of the region. Moreover, the Khellani Tunnel is an integral part of the Sudh Mahadev-Goha-Khellani-Chatroo-Khanabal National Highway. This highway will not only serve as an alternate route to Batote-Kishtwar but also provide all-weather connectivity to the Doda region. Importantly, it will shorten the distance between Doda and Kishtwar by 30 kilometers, thereby facilitating more efficient transportation and regional development.
Srinagar-Baramulla-Uri National Highway work	The Srinagar-Baramulla-Uri (SBU) highway is set to undergo significant development, with plans to transform it into a four-lane road from Narbal to Baramulla, and a double-lane road from Baramulla to Uri. The estimated cost for this project stands at approximately Rs. 823.45 crores. In addition to widening the highway, the project encompasses the construction of two vital bypasses at Pattan and Baramulla, as well as flyovers at Sangrama and Delina, all of which are expected to play a pivotal role in enhancing the flow of traffic and ensuring

	smoother transportation. The land acquisition process for this extensive project will involve more than 49 villages, with nine villages falling within the Narbal to Pattan stretch, another nine villages between Tappar and Sangrama, and seven villages designated for the construction of bypasses at Pattan and Baramulla. A total land area of 96.1497 hectares is slated for acquisition, with the majority of it, amounting to 57.553 hectares, earmarked for the development of the Pattan and Baramulla bypasses.

Road Infrastructure in Ladakh

Overview

Ladakh being a border area is of significant importance for national security as well as a popular tourist location thus underscoring the key role of developing a robust road infrastructure. Ladakh is connected to the mainland namely through two roads - Leh-Srinagar National Highway and Leh-Manali road. These two roads remain open only during the months of summer season and remain closed for more than 7 months during winter due to closure of the passes (Zojila, Rotang Pass, Baralacha, Changla). Leh District is connected to the Block Headquarter by roads, through a network of roads and Border Roads Organization (BRO) maintains most of the highway connecting the block head quarter and PWD maintains a road length of 1060 Kms. As some of the roads to the block head quarter passes through the world's highest motorable roads, it is frequently closed due to the avalanches and snowfall in the passes.

Since becoming a Union Territory in Oct 2019, the government has undertaken various development projects in Ladakh to promote national security, economic growth, infrastructure development and tourism destination. Some of the key road developments comprise -

- 195 km of road have been constructed and blacktopped in Ladakh under the Pradhan Mantri Gram Sadak Yojana (PMGSY) scheme, providing connectivity to villages.
- In addition to the PMGSY, nearly 500 km of roads were being built by different organisations in Ladakh as on Jan 2022.
- This is in addition to the 255 km of strategic roads to be upgraded and built by the BRO for rapid mobilisation of troops in Ladakh.
- Further, at least 10 bridges and eight tunnels were under construction for improving connectivity.
- About 150 km of operational roads & tracks have been constructed in the area of Northern Command of the Indian Army (as of Dec 2022)

The administration has initiated several infrastructure development projects in Ladakh, including the construction of new roads, bridges, and tunnels. For all-weather connectivity, the 14.15-km-long Zojila Pass Tunnel is under construction and the widening of the all-important, 230-kilometre Kargil-Zanskar National Highway is in progress along with the construction of several tunnels and bridges.

According to the FY 2022 Annual Report of the Ministry of Road Transport & Highways, there are 8 stretches with a length of 230 km at total project cost of Rs. 22.8 billion under construction by the National Highways & Infrastructure Development Corporation (NHIDCL).

2021 and 2022 Developments

In August 2021, BRO constructed the highest motorable road in Eastern Ladakh at 19,300 feet to boost the socio-economic condition and promote tourism in the region.
Following an MoU, signed in Sep 2021, between the Ladakh Administration and the BRO, five projects involving construction/improvement of roads and tunnels were assigned to BRO for development of connectivity in the hilly region. These included preparation of greenfield alignment and upgradation of major single lane roads to double-lane (NHDL specification) and tunnelling works. Upgradation of 4 major single lane roads which are used extensively by travelers to reach sought after tourist destinations had also commenced –

- 78 Km road Khalse to Batallik
- 50 Km road Kargil to Dumgil which also includes construction of a tunnel at Hambotingla to ensure seamless connectivity from Kargil to Batallik
- 70 km road Khalsar to Shyokvia Agham

- 31 Km Tangtse to Lukung

In Dec 2022, Rail India Technical and Economic Service (RITES) presented the Detailed Project Reports (DPRS) basis the completion of preliminary survey work and feasibility assessment for the construction tunnels of Namkila, Fotula, Hambotingla, Khardungla and Kela.

As of Dec 2022, a road was being created to afford substitute connectivity to Western Ladakh and the Zanskar Valley straight from the Manali road axis. Of this 298 km road, 65% work was completed, and the remaining expected to be completed by 2026. The road also consists of a 4.1-km twin-tube Shinkun La tunnel for establishing all-weather connectivity to Ladakh from Himachal Pradesh.

2023 Developments

- In Aug 2023, in a fresh infrastructure thrust at forbidding heights, the BRO started the construction of a high-altitude road at more than 19,000 feet in Ladakh's Demchok sector to provide connectivity to one of the military's farthest outposts in the sensitive sector, Fukche, which is three km from the contested Line of Actual Control (LAC).
- In June 2023, under Project HIMANK, the Ministry of Defence had invited bids for the construction of 30 Km road Sumdo Nidder Rhongo through the EPC mode with an estimated project value of Rs 1,121 million.
- In Feb 2023, the Union Cabinet approved the construction of the 4.1-km Shinkun La tunnel on the Nimu-Padam-Darcha road link to provide all-weather connectivity to the border areas of Ladakh. The tunnel is expected to be completed by Dec 2025 at a cost of Rs. 16.8 billion. Once completed, this tunnel is expected to be a game changer as it will enable swift all-weather movement of the army and heavy equipment. It will have significant implications for the deployment of forces and equipment in the Kargil-Siachen sector or Eastern Ladakh, as well as for all-weather development work in the region.

Outlook

After acquiring the UT status, Ladakh is witnessing rapid development in terms of connectivity through all-weather roads, ropeways, rails, and tunnels, bridges etc. Work on infrastructure projects like roads and tunnels has gained momentum. To oversee the infrastructure development in Ladakh, the government sanctioned the formation of an Integrated Multi-Purpose Infrastructure Development Corporation in July 2021 which will work as the leading construction agency for infrastructure development in Ladakh. The Vision document 'Vision 2050 for UT of Ladakh' also outlines the challenges and aspirations/development strategies of Ladakh in areas of agriculture & horticulture, industries & manufacturing, tourism, connectivity and transport (roads, highways, public transport), power and energy, water supply and waste management, education, healthcare etc.

Current Scenario	Future Scenario
- Only 2 roads connecting Ladakh to rest of India, with limited access during winter season - Approx. 4300 Km of Road Length (39% under PWD & 61% under BRO) - 54% villages (25% population) do not have access to 'Pucca Roads - Majority of roads with intermediate / 2 lane configuration (6-10 mt.)	- Connectivity by all-weather roads by 2030 - Upgradation in capacities of regional road network - Construction of roads and tunnels at strategic and high altitude locations to strengthen national security in progress - Vision 2050 for sustainable development across key areas including building strong road network

Source: Vision 2050 for UT of Ladakh

Government Agencies Involved

The following government agencies in Jammu and Kashmir are responsible for tunnel and road infrastructure:

- **Public Works (R&B) Department, Jammu and Kashmir:** The R&B Department is responsible for the construction and maintenance of roads and bridges in the Union Territory. The department also oversees the construction of tunnels.
- **Jammu and Kashmir Roads and Buildings Development Corporation:** The JKR&BDC is a public sector undertaking responsible for the construction of major road and bridge projects in Jammu and Kashmir. The corporation has also executed several tunnel projects in the UT.

- **Jammu and Kashmir Infrastructure Development Corporation**: The J&KIDC is another public sector undertaking responsible for the development of infrastructure projects in Jammu and Kashmir. The corporation has also executed several road and tunnel projects in the UT.

Objectives of these agencies:

- To provide safe and efficient road and tunnel connectivity to the people of Jammu and Kashmir.
- To improve the economic development of the Union Territory by providing better connectivity to remote areas.
- To reduce travel time and costs.
- To boost tourism and trade in Jammu and Kashmir.

How they are executing these objectives:
The R&B Department, JKR&BDC, and J&KIDC are executing their objectives by:

- Constructing new roads and bridges.
- Widening and improving existing roads.
- Constructing tunnels to improve connectivity to remote areas and reduce travel time.
- Upgrading road safety features.
- Maintaining roads and bridges in good condition.

Examples of programs and how they are being executed:

- **Zojila Tunnel:** The Zojila Tunnel is a 13.14 km long tunnel under construction that will connect the Kashmir Valley with the Ladakh region. The tunnel is being constructed by the JKR&BDC at a cost of Rs 6800 crore. The tunnel is expected to be completed in 2025 and will provide all-weather connectivity to the Ladakh region.
- **Katra-Qazigund Expressway:** The Katra-Qazigund Expressway is a 200 km long expressway under construction that will connect Katra, the base camp of Vaishno Devi Shrine, with Qazigund, a town on the Srinagar-Jammu National Highway. The expressway is being constructed by the R&B Department at a cost of Rs 23,000 crore. The expressway is expected to be completed in 2024 and will reduce travel time between Katra and Qazigund from 7 hours to 3 hours.
- **Chenani-Nashri Tunnel:** The Chenani-Nashri Tunnel is a 9.28 km long tunnel that connects the Chenani and Nashri villages in Jammu and Kashmir. The tunnel is the longest tunnel in India and was opened to traffic in 2017. The tunnel has reduced travel time between Jammu and Srinagar from 6 hours to 3 hours.
- These are just a few examples of the many road and tunnel projects that are being executed in Jammu and Kashmir. The government is investing heavily in the development of road and tunnel infrastructure in the Union Territory to improve connectivity and boost economic development.

Border Programs in the Region

The Government of India has launched several border programs in Jammu and Kashmir (J&K) for tunnel and road infrastructure. These programs are aimed at improving connectivity to remote and border areas, boosting economic development, and enhancing national security.

The following are some of the key border programs for tunnel and road infrastructure in J&K:

Border Infrastructure and Management Scheme (BIMS): The BIMS is a flagship program of the Government of India for the development of infrastructure in border areas. The program includes the construction and improvement of roads, bridges, tunnels, and other infrastructure projects.

Prime Minister's Development Package (PMDP): The PMDP is a special package of Rs 80,000 crore announced by the Prime Minister of India for the development of J&K. The package includes several projects for the development of road and tunnel infrastructure in the UT.

Bharat Mala Pariyojana (BMP): The BMP is a highway development program launched by the Government of India in 2015. The program includes the construction of several new highways and the improvement of existing highways across the country. The BMP also includes several projects for the development of road and tunnel infrastructure in J&K.

Objectives of these programs:

- To improve connectivity to remote and border areas in J&K.
- To boost economic development in border areas.
- To enhance national security by improving the mobility of security forces.
- To provide better social and educational facilities to the people living in border areas.

How they are executing these objectives:

The BIMS, PMDP, and BMP are being executed by the Ministry of Home Affairs (MHA), Ministry of Road Transport and Highways (MoRTH), and other relevant ministries and departments. The MHA is responsible for the overall coordination of these programs. The MoRTH is responsible for the construction and improvement of roads and highways. Other relevant ministries and departments are responsible for the construction of bridges, tunnels, and other infrastructure projects.

Ongoing and Upcoming Projects

Railway projects:

Katra-Banihal Railway Project: This 111 km long railway line is under construction and will connect Katra, the base camp of Vaishno Devi Shrine, with Banihal, a town on the Jammu-Srinagar National Highway. The project includes the construction of 27 tunnels with a total length of 32 km. The project is expected to be completed in 2024.

Baramulla-Kupwara Railway Project: This 39 km long railway line is under construction and will connect Baramulla, a town in North Kashmir, with Kupwara, a district headquarters in North Kashmir. The project includes the construction of 12 tunnels with a total length of 10 km. The project is expected to be completed in 2025.

Udhampur-Srinagar-Baramulla Railway Line (USBRL): This 272 km long railway line is under construction and will connect Udhampur, a town in Jammu, with Baramulla, a town in North Kashmir. The project includes the construction of 75 tunnels with a total length of 164 km. The project is expected to be completed in 2027.

Hydro projects:

Pakal Dul Hydroelectric Power Project: This 1000 MW hydroelectric power project is under construction on the Chenab River in Kishtwar District, Jammu and Kashmir. The project includes the construction of a 300 m high dam and a 12.7 km long headrace tunnel. The project is expected to be completed in 2026.

Ratle Hydroelectric Power Project: This 850 MW hydroelectric power project is under construction on the Chenab River in Kishtwar District, Jammu and Kashmir. The project includes the construction of a 133 m high dam and a 10.6 km long headrace tunnel. The project is expected to be completed in 2023.

Sawalkot Hydroelectric Power Project: This 1856 MW hydroelectric power project is under construction on the Chenab River in Kishtwar District, Jammu and Kashmir. The project includes the construction of a 161 m high dam and a 10.8 km long headrace tunnel. The project is expected to be completed in 2030.

Urban transport projects:

Srinagar Ring Road Project: This 50 km long ring road is under construction around the city of Srinagar. The project includes the construction of 15 tunnels with a total length of 12 km. The project is expected to be completed in 2026.

Jammu Ring Road Project: This 55 km long ring road is under construction around the city of Jammu. The project includes the construction of 10 tunnels with a total length of 8 km. The project is expected to be completed in 2025.

Irrigation projects:

Ravi-Tawi Irrigation Project: This major irrigation project is under construction in Jammu and Kashmir. The project includes the construction of a canal system to irrigate over 100,000 hectares of land in the Jammu Division. The project also includes the construction of several tunnels and road stabilization works. The project is expected to be completed in 2027.

Tawi-Manasbal Irrigation Project: This medium irrigation project is under construction in Jammu and Kashmir. The project includes the construction of a canal system to irrigate over 50,000 hectares of land in the Kashmir Division. The project also includes the construction of several tunnels and road stabilization works. The project is expected to be completed in 2025.

Water supply and sanitation projects:

Jammu and Kashmir Urban Sector Development Investment Programme: This major urban development program is under implementation in Jammu and Kashmir. The program includes the construction of water supply and sanitation infrastructure in several cities and towns across the UT. The program also includes the construction of several tunnels and road stabilization works.

Key Challenges

The following are some of the key challenges faced during road infrastructure projects in Jammu and Kashmir:

Difficult terrain: Jammu and Kashmir is a mountainous region with a difficult terrain. This makes it challenging to construct roads and bridges, especially in remote areas. Construction workers often have to work in hazardous conditions, and it can take a long time to complete projects. The use of heavy machinery is also limited in some areas due to the steep slopes and narrow valleys.

Extreme weather conditions: Jammu and Kashmir experiences extreme weather conditions, including heavy snowfall, landslides, and avalanches. This can damage roads and bridges and make it difficult to carry out construction and maintenance work. Heavy snowfall can block roads for long periods of time, and landslides and avalanches can damage roads and bridges beyond repair

Security concerns: Jammu and Kashmir is a sensitive region facing security challenges. This can make it difficult to mobilize resources and manpower for road infrastructure projects. Contractors may be hesitant to work in the region due to the risk of attacks, and local workers may be reluctant to work on projects located in remote areas.

Land acquisition: Land acquisition is a major challenge for road infrastructure projects in Jammu and Kashmir. This is due to the fact that the land is mostly owned by private individuals and communities, and it can be difficult to negotiate compensation agreements. In some cases, projects may have to be abandoned due to land acquisition issues.

Environmental concerns: Jammu and Kashmir is a fragile ecosystem. This means that road infrastructure projects need to be carefully planned and executed to minimize environmental damage. For example, projects may have to avoid sensitive areas such as forests and wetlands.
Despite the challenges, significant progress has been made in developing road infrastructure in Jammu and Kashmir in recent years. The government is committed to improving connectivity in the region and to providing better roads and bridges for the people of Jammu and Kashmir.

Growth Prospects in Indian Road Infrastructure

The Indian Road sector is experiencing significant growth and is set to expand further in the future. The government has recognized the importance of improving transportation infrastructure and has taken initiatives to enhance the road network in the country. It is estimated that India will need to spend $4.51 trillion on infrastructure by 2030 to achieve its vision of becoming a $5 trillion economy by 2025. In line with this, the National Infrastructure Pipeline (NIP) has allocated a total capital investment of Rs 20.34 trillion for the highways sector by 2025.

Under the NIP, the government has already allocated INR 20.33 trillion for road infrastructure development during the period of FY 2020-2025. The budget for 2023-24 includes 100 critical transport infrastructure projects to improve last- and first-mile connectivity for various sectors such as ports, coal, steel, fertilizers, and food grains. These projects, with an investment of Rs 75,000 crore, including Rs 15,000 crore from private sources, have been prioritized.

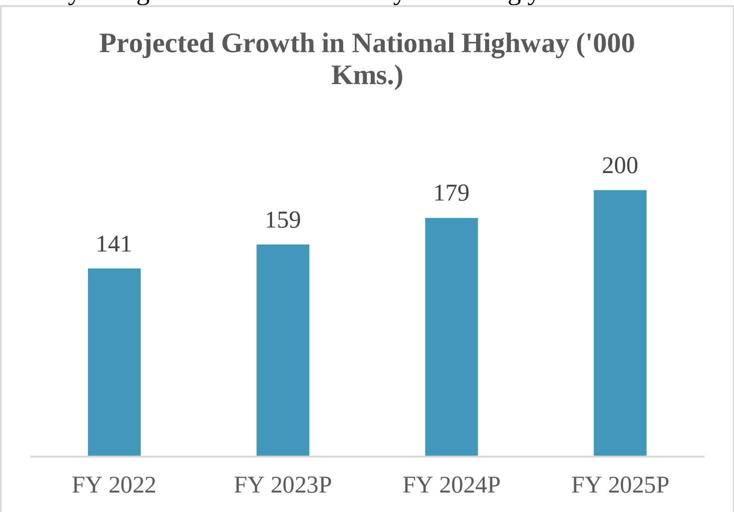
The government has set ambitious targets for the highway sector, with plans to spend approximately Rs 17 trillion within the five-year period of FY 2020-2025. This investment will be focused on the construction of expressways, economic corridors, coastal and port connectivity highways, and border roads or strategic highways. The aim is to increase the total highways network to two lakh kilometers by 2025.

Furthermore, the government is emphasizing the need to adopt green technology in road construction. The National Rural Infrastructure Development Agency is targeting the construction of 50,000 km of rural roads by 2030, with a focus on utilizing green technology. In addition, the government plans to construct 26 Green Highways in India by 2024, highlighting its commitment to sustainable infrastructure development.

The growth potential of the Indian road sector is immense. The highway construction industry is projected to experience a significant growth rate of 133% by 2025. India aims to achieve a target of 60 km of road construction per day, already building a record-breaking 30 km per day. The government has also set specific targets for expressways and expects to see reduced travel time between major cities such as Delhi, Dehradun, Haridwar, Jaipur, Chandigarh, and Amritsar.

The Indian Road sector is poised for substantial growth in the coming years. With increased capital expenditure, improved infrastructure, and a focus on sustainability, India aims to enhance connectivity, boost economic development, and create more efficient transportation systems. The government's commitment to the development of the road sector will play a vital role in realizing its vision for a $5 trillion economy and meeting the growing infrastructure needs of the country.

The Government has taken various measures to reduce delays and fast track many stuck projects to increase the per day construction target in the current fiscal. In the Union Budget 2023, the government has proposed an outlay of nearly INR 1,991.1 Bn Bn for the Ministry of Road Transport and Highways. This is 51.8% higher than the revised estimates for 2021-22. The increasing government expenditure on the road network development in the country will give boost to the industry in coming years.



Source: Dun & Bradstreet Research

Undeterred by ongoing challenges, the Ministry has set an ambitious target of constructing 18,000 kms of national highway in FY 2023 increasing the per day construction target to 40 Kms per day. NHAI Chief also conveyed that all the balance work of Bharatmala phase-1 will be tendered out by FY 2024 that will push the road construction. As per the target specified, the total national highway length that is planned to be achieved by FY 2025 is 2,00,000 kms which translate into a CAGR of 12.2% between FY 2022-25.

Competitive Landscape: Notable Players

Road infrastructure sector is highly fragmented with many large and small players. Large players dominate the construction of highways as road projects need high up-front capital investment, have long gestation period and uncertain returns have made highway development segment unattractive to smaller players. Moreover, stringent technical ability norms, experience and operational and financial parameters defined by NHAI for participating in PPP projects, limit entry of small player in large highway construction projects.

Consequently, large players like dominate National highway development whereas small players dominate in construction of urban / rural / district roads as the bidding norms set by state agencies are relatively less stringent. In addition, the scope for these projects is limited making it unviable for larger companies that dominate the large-scale road development projects. Subsequently, smaller contract firms dominate this segment.

Annual Financial Comparison of Major Players

Companies	Revenue in (INR Bn)			Net Profit (INR Bn)		
	FY 22	FY 23	Y-o-Y Change	FY 22	FY 23	Y-o-Y Change
G R Infraprojects Ltd	79.3	81.5	2.9%	7.6	8.5	12.0%
P N C Infratech Ltd	60.8	69.8	14.8%	4.5	6.1	36.5%
I R B Infrastructure Developers Ltd	25.7	41.5	61.4%	3.2	3.7	16.4%
H G Infra Engg. Ltd.	35.8	43.8	22.4%	3.4	4.2	24.4%
K N R Constructions Ltd	32.7	37.4	14.4%	3.8	5.0	30.7%

Source: CMIE Prowess IQ

Key Financial Parameters

Year	Raw material expenses	Power & Fuel	Salaries & Wages	SGA Expenses	Interest Expense	PBDIT Margin	Net Margin
FY 2019	43.0%	0.1%	5.1%	0.0%	2.7%	20.6%	10.7%
FY 2020	33.0%	0.2%	5.2%	0.0%	3.2%	20.2%	9.7%
FY 2021	37.4%	0.1%	5.0%	0.1%	3.6%	19.7%	9.0%
FY 2022	42.9%	0.2%	5.2%	0.0%	3.8%	20.8%	9.6%
FY 2023	40.3%	0.1%	5.1%	0.0%	2.1%	18.2%	10.1%

Source: CMIE Prowess IQ, Based on sample of 5 companies

On cost front, raw material expense and other expenses such as land acquisition cost, maintenance, and transportation have stood as the largest component in the cost structure. Cement, Steel, aluminum are major raw material costs for the road construction companies. Aluminium, Billet, Channel, Rebar, steel round, wire rod, are major metal product that are used in road, highway, bridges, and tunnel construction.

The Cost of raw material consumed grew substantially in FY 2022 and 23 which reflect higher input consumption to fulfill the project completion, cost overrun due to delay in completion of previously announced projects and on the back of increasing prices of key input material used.

Notable Players in UT of J&K and Ladakh

Company	Brief
Jammu And Kashmir Projects Construction Corporation Limited	The J&K Projects Construction Corporation Ltd., a government-owned company was established in 1965, Over the years, this corporation has executed several infrastructure projects in the domains of bridges and buildings. Some of the notable projects executed by the firm include: • WatalbaghBobsipora Bridge at Ganderbal • PalporaShalteng Bridge at Srinagar.

Company	Brief
	• VethporaSoiteng Bridge at Srinagar. • Bridge over NallahVishowKelamGund to Ashimji, Kulgam • Jetty Bridge at Baramulla • Bridge over RiverUjh at Jothana, Kathua. • Shiva Dal Bridge at Doda.
SRM Contractors	SRM Contractors Private Limited, established on September 4th, 2008, in Jammu, has emerged as a key player in infrastructure construction industry in the UT of J&K and Ladakh. The Company has a executed several road, tunnel and slope stabilisation projects. The Company, over its 15 years of experience has developed technical capabilities to execute projects in hilly / challenging terrain in the region. They undertake various infrastructure works for government departments, including the J&K Economic Reconstruction Agency, J&K Rural Roads Development Agency (JKRRDA), Konkan Railway Corp. Ltd., Border Roads Organization, and PW (R&B) Department, Jammu. Their projects are primarily concentrated in the Jammu and Ladakh regions of Jammu and Kashmir. Some of their notable projects include: • Construction of Tunnel T-15, Part Tunnel T-14 including Bridge No. 61 (between km 73.785 to 86.848 km approx) on Katra-Banihal section of Udhampur-Srinagar-Baramulla New BG Railway Line Project (Package T-15) • Rehabilitation and up-gradation to 2 lane with paved shoulder from design km 74.350 to km 90.150 (package IV) under 13 TF on Akhnoor - Poonch road (NH- 144A) in the state of Jammu & Kashmir under BRO on EPC mode. • Construction of wider section of Tunnel for a length of 85m (appox) from km 42/977.50 to 43/062.50 in Tunnel no. 5 (Portal-1) and ancillary work on the Katra-Dharam Section of the Udhampur-Srinagar-Baramulla New BG Railway Line Project, Jammu & Kashmir • Design and construction of Reinforced Earth Embankments at Bridge no. 40, 41 & 42 on Katra-Dharam section of Udhampur-Srinagar-Baramulla Rail link Project in the state of Jammu & Kashmir. The contract which was valued at INR 9,643.28 lakh involved slope stabilisation work. Some of the notable upcoming projects include: • Construction Of Realignment between Pandrass- Pashkyum (Net Length-27.10 Km) on Road Zozila-Kargil-Leh (NH-1) To 2 Lane Specifications I.E. Drass Realignment (9.30 Km), Kharboo Realignment (6.30 Km) & Kargil Alignment (11.50 Km) under Project Vijayak (Bro) in the Union Territory. of Ladakh on Epc Mode. • Widening and up-gradation to 2-lane with paved shoulder configuration and geometric improvement from km 0.000 to km 16.990 on Chenani – Sudhmahadev section of NH-244 in the state of Jammu & Kashmir • Construction Of Cut and Cover Tunnel Having 520 Mtrs Length Between Km 51+950 to Km 52+500 And 400 Mtrs Length between km 52+550 To Km 52+950 including Minor Bridge on D-S-DBO Road Under Project Himank in Ladakh (Union Territory) On EPC Mode (Net Tunnel Length 920 Mtrs). • Construction of Reinforced Earth Wall and Road Work for our Project i.e. Construction of Proposed Buildings including Main Station Building, DG Room, Guest House, RPF & GRP Barracks, RPF & GRP Posts and Road for Sumber Station Yard of USBRL Project, J&K. (Package: Buildings & Roads/Sumber Station Yard)
SGF Infra Private Limited	SGF Infra started operations in the bridge construction space, and has since then diversified into other civil construction projects spanning roads and

Company	Brief
	highways. Some of their noteworthy projects include: • Design and Construction of a 135-meter-long steel bridge of Class A Loading over River Chenab at Dhamkund, Ramban. • Construction of a 74-meter Span Steel Girder Through-Type Motorable Bridge on Chassana to Kalaban Road. • Design and Construction of a 30-meter Span Pmt Steel Girder Bridge with RCC Decking over Nagrah Nallah (Nagrah Bridge) on Dul Galhar Road under 118 RCC/35 BRTF of Project Beacon in J&K State. • Design and construction of an 80-meter-long bridge with Steel Super Structure over Kunnore Nallah on Sanku Sapila Mulabek road in 126 RCC/762 BRTF under Project Vijayak in J&K. • Construction of a road from Bhimdasa Package JK14-94 Stage1 Gagger to Phase VII. • Design, Fabrication, Launching, and Commissioning of the Construction of a 60-meter Span Double Lane steel girder Motorable Bridge with RCC decking over the Indus River at Choglamsar. • Design and Construction of an 80-meter-span single-lane steel truss Motorable Bridge over River Shayok at Thang Nobra. • Construction of a road from Dagair to Panaya under Package No. JK05-62 in Block Khour, Phase VII.
MCCS Infra Pvt. Ltd.	MCCS Infra Private Limited is operating in the civil construction project space in the region for the past two decades. The Company has executed projects including tunnel construction, the development of bridges, and sub stations. Some of their notable projects include • Construction of BG (single line) Tunnel T-39 P2 on the Karalee section of the Udhampur-Srinagar-Baramulla Rail link Project • Construction of piers at Bridge No.61 and the development of roadway and structures in the Udhampur section
Jehlum Construction Co	Jehlum Construction Co. (JCC) is a partnership firm formed in 2010, headquartered in Srinagar, Jammu & Kashmir. JCC specializes in civil works, focusing on the construction of roads, bridges, tunnels, ports, harbors, and runways.
New Jehlum Construction Co	New Jehlum Construction Co. (NJCC) was established in 1996 and is based in Jammu. NJCC primarily engages in the construction, improvement, widening, and strengthening of roads, catering to both state and central government departments. Their clientele includes esteemed organizations such as the Public Works Department (Jammu and Kashmir), Border Roads Organisation (BRO), and the National Highways Authority of India.

OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "**Forward-Looking Statements**" on page 24 for a discussion of the risks and uncertainties related to those statements and also "**Risk Factors**", "**Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 32, 225 and 273 respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Consolidated Financial Statement included in this Draft Red Herring Prospectus. For further information, see "**Restated Financial Statement**" on page 225. Additionally, see "**Definitions and Abbreviations**" on page 1 for certain terms used in this section. Unless the context otherwise requires, in this section, references to "we", "**us**" and "**our**" "**our Company**" or "**the Company**" refer to SRM Contractors Limited.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "**Industry Report on Roads & Tunnels Infrastructure in India - Additional Focus on Union Territory of Jammu & Kashmir and Ladakh**" dated September, 28 2023" (the "**D&B Report**") prepared and issued by Dun & Bradstreet Information Services India Private Limited ("**D&B India**"), appointed by us on August 6, 2023, and exclusively commissioned and paid for by us in connection with the Issue. D&B India is an independent agency which has no relationship with our Company, our Promoters and any of our Directors or KMPs or SMPs. The data included herein includes excerpts from the D&B Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the D&B Report is available on the website of our Company at www.srmcpl.com until the Bid/Issue Closing Date. For more information, see **"Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the D&B Report which have been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks"** on page **in sections of this Draft Red Herring Prospectus disclose information from the D&B Report which have been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.**. Also see, **"Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data – D&B Report Disclaimer"** on page 51.*

OVERVIEW

We are 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. We undertake construction works both as an EPC contractor and on an item rate basis for infrastructure projects. Our Company also undertakes sub-contracting assignments of infrastructure construction projects. We 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 we, thus, believe that we have developed the expertise and know-how to undertake infrastructure construction projects in difficult terrains. 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*).

We are an ISO 9001:2015 certified company and are also registered as class A contractor with Public Work (R&B) Department, Jammu & Kashmir. We are pre-qualified to bid independently on projects, tendered by departments of governmental authorities and other entities funded by the GoI, of contract value up to ₹30,000 lakhs and ₹50,000 lakhs for EPC contracts pertaining to construction of roads (including bridges) and for construction of tunnel respectively. As a result of the growth of our road and tunnel construction business as well as the recent government initiatives and support to develop the infrastructure of union territories of Jammu & Kashmir and Ladakh, we have further forayed into executing other infrastructure projects such as standalone bridges, larger slope stabilisation works and other miscellaneous civil construction activities in order to capitalise on such rising opportunities.

As an EPC contractor, the scope of our services includes detailed engineering of the project, procurement of construction materials, plant and machinery, construction and execution of the project and its operation and maintenance in accordance with the contractual provisions. Our manpower, resources and fleet of machinery and equipment, together with our engineering capabilities, enables us to execute a large number of projects simultaneously. We believe that our resources, quality of work and project execution skills have enabled us to enhance our relationships with existing clients and helps us to further secure projects from new clients.

We undertake contracts independently or whenever required, through our 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. Our Company also undertakes sub-contracting assignments from third party major infrastructure and construction entities.

Our Company was incorporated in September 2008 and we have gradually increased our execution capabilities in terms of the size of projects that we are now bidding for and executing. For instance, one of the first road projects awarded to us by Government of Jammu and Kashmir Economic Reconstruction Agency in the month of February 2011 for widening of Sakhi-Maidan-Kalai road in District Poonch with the project cost of ₹773.88 lakhs, whereas, one of the project recently awarded by Ministry of Road Transport and Highways through Border Roads Organisation in calendar year 2023 i.e. Construction of realignment between Pandrass- Pashkyum (net length- 27.10 km) on road Zozila-Kargil-Leh (NH-1) to 2 lane specifications i.e. Drass realignment (9.30 km), Kharboo realignment (6.30 km) & Kargil alignment (11.50 km) under project Vijayak (BRO) in the Union Territory of Ladakh on EPC mode to our project specific joint venture is having a project cost of ₹ 20,568.28 lakhs.

Since incorporation, our Company, independently and through project-specific joint ventures, has completed thirty-seven (37) infrastructure construction projects having an aggregate contract value of Rs. 77,088.00 lakhs which includes thirty-one (31) roads projects, three (3) tunnel projects, one (1) slope stabilisation works and two (2) other miscellaneous civil construction activities. Out of the thirty-seven (37) projects executed by our Company, twenty-nine (29) infrastructure construction projects, including sub-contracting assignments, have been executed independently by us and eight (8) projects have been executed through project specific joint ventures. For information in respect of our completed projects, see "***Our Completed Projects***" on page ***172***. As on September 15, 2023, our order book consists of twenty-one (21) infrastructure construction projects which includes twelve (12) roads projects (including bridges), five (5) tunnel projects, three (3) slope stabilization project and one (1) other miscellaneous civil construction activities. Out of the twenty-one (21) ongoing infrastructure construction projects, fifteen (15) infrastructure construction projects, including sub-contracting assignments, is being executed independently by us and six (6) infrastructure construction projects are being executed with our project-specific joint ventures. For information in respect of our ongoing projects, see "***Our Order Book***" on page 173 and "***Our Joint Ventures"*** on page 176 .

Our order book in terms of value of contracts, including subcontracting assignments, was ₹70,743.00 lakhs as on September 15, 2023, ₹83,469.37 lakhs as on March 31, 2023, ₹25,788.32 lakhs as on March 31, 2022, and ₹43,257.33 lakhs as on March 31, 2021. Among. Among the twenty-one (21) infrastructure construction projects that we are currently executing, twelve (12) projects aggregating to a total contract value of ₹42,951.80 lakhs relates to road construction, five (5) project of total contract value of ₹18,195.50 lakhs relates to tunnel construction, 3 (three) projects aggregating to a total contract value of ₹9,248.10 lakhs relates to slope stabilisation works and one (1) project of total contract value of ₹347.60 lakhs relates to other construction activity. For information in respect of our ongoing projects, see "***Our Order Book***" on page 173.

At present we are primarily bidding for construction of roads including bridges, tunnel works, slope stabilisation works and other miscellaneous civil construction activities in the Union Territories of Jammu & Kashmir and Ladakh. Our major clients include 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**). Our Company also undertakes sub-contracting assignments from third party major infrastructure and construction entities executing projects in the Union Territories of Jammu & Kashmir.

The business of our Company is segregated into the following independent business verticals:

- ***Road Projects –*** Our roads division undertakes the designing and construction of realignment, widening, upgradation, restoration and/or strengthening and improvements of roads& highways and their maintenance in difficult terrain of Union Territories of Jammu & Kashmir and Ladakh. Under this business division, we are also engaged in the construction of bridges including standalone bridges.

- ***Tunnel Projects –*** Our tunnel division undertakes designing and construction of new tunnels, cut and cover tunnels for avalanche and slide protection and caverns and also includes widening, upgradation, restoration and/or strengthening and improvements including providing niches/modification in niches and stabilisation of existing tunnels in difficult terrain of Union Territories of Jammu & Kashmir and Ladakh.

- ***Slope stabilization works –*** Slope stabilization refers to the application of various engineering techniques, measures and methods to solidify and stabilize a slope that is either inherently unstable or insufficiently stable. Our slope stabilisation division undertakes designing and construction of reinforced soil steepened slope structures as part of slope stabilization works. These slope stabilization works are essential to safeguard infrastructure, protect the environment, and ensure public safety. The chosen method of stabilization is based on a comprehensive geotechnical assessment of the slope considering various factors such as soil type, slope angle, water content, and local environmental conditions etc.

- ***Other miscellaneous civil construction activities –*** We also undertake other construction activities such as construction of government housing and residential units, drainage works and irrigation & flood control works.

Over the years, we have acquired a fleet of modern construction machinery and equipment to support the construction activity of our projects. As on date of this Draft Red Herring Prospectus, we own and hold 227 equipment and machineries comprising of over 100 major machineries and equipment such as boomers, shotcrete machines, batching plants, excavators, hot mix plants, ready mix concrete plant, stone crushing unit, compacters, among others. Our in-house integrated model of equipment management reduces dependence on third party suppliers for construction machinery and equipment and few of the material such as stones aggregates (due to availability of inhouse stone crushing unit) and other products and services required in the development and construction of our projects. We have also setup a central procurement team that procures major material and engineering items required for our projects. We believe that our integrated business model facilitates execution of our projects within scheduled timelines. We depend on our employees, both skilled and unskilled, to execute our projects. As on September 15, 2023, we have 293 employees comprising both skilled and on-site workers engaged in various projects.

In addition to procurement and construction, we have focused our efforts on building a team of engineers for the design and engineering, led by our Chief Technical Officer, for our projects. Our Chief Technical Officer, Lt. Col (Retd) Anil Kumar Sharma has been associated with us for since 2013 and have over 30 years of experience in the field of civil engineering. For details, see "***Our Management – Senior Management***" on page 217. We have in-house team of twenty-two (22) engineers who are dedicated to engineering, designing, planning and execution of projects. We are also supported by third-party consultants and industry experts to ensure compliance of standards laid down by our clients.

Market Opportunity & Investment rationale

Infrastructure development has remained recurring theme in India's economic development. The launch of flagship policies like National Infrastructure Pipeline (NIP), and PM Gati Shakti are expected to improve freight movement, debottleneck the logistics sector, and improve the industrial production landscape, which would provide the incremental growth in GDP. 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)

The budgetary allocation to the Ministry of Road Transport and Highways (MoRTH) by the Government of India has exhibited a significant and consistent upward trend in recent years, reflecting the government's commitment to infrastructure development and the expansion of road networks. In its latest budget (Union Budget FY 2024), the Government have allocated approximately INR 270,000 crore to MoRTH towards various projects. Compared to this, the annual budgetary allocation that was made during budget announcement FY 2020 was only INR 83,000 crore. The jump from INR 83,000 to INR 270,000 crore of allocation signals the aggressive commitments by the Union Government to develop the road infrastructure in the country. The Indian Road sector is experiencing significant growth and is set to expand further in the future. The government has recognized the importance of improving transportation infrastructure and has taken initiatives to enhance the road network in the country. It is estimated that India will need to spend $4.51 trillion on infrastructure by 2030 to achieve its vision of becoming a $5 trillion economy by 2025. In line with this, the National Infrastructure Pipeline (NIP) has allocated a total capital investment of Rs 20.34 trillion for the highways sector by 2025. The growth potential of the Indian road sector is immense. The highway construction industry is projected to experience a significant growth rate of 133% by 2025. (Source: D&B Report)

With rapid urbanization, tunnel construction across the country has become an integral part of the entire infrastructure in India. The key sectors propelling the growth of tunnel construction in past few years are roads and highways, hydropower, urban rail, irrigation, and water. 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. India borders several countries with which it has complex geopolitical relationships. The construction of tunnels in border areas can help to improve connectivity and security. The growth of tunnel construction in India is expected to continue in the coming years. The government has ambitious plans for infrastructure development, and tunnel construction will play a key role in achieving these goals. With more focus on Indian Infrastructure, the tunnelling sector is expected to propel with a strong pipeline network of 1300 tunnels, spanning around the country with a length of more than 3,600 km. When compared state-wise in terms of upcoming tunnels, Jammu & Kashmir is the pioneer offering the largest pipeline network of around 200 tunnels. (Source: D&B Report)

In the recent years, J&K has received a boost in road infrastructure development. In recent years, the government's relentless focus on improving road infrastructure in the Union Territory of Jammu and Kashmir (J&K) has ushered in a wave of transformation, revolutionizing connectivity and fostering economic prosperity across the region. Union Territory of Jammu and Kashmir has been rapidly emerging as one of the fastest developing economies in the country. As of 2022, it boasts an extensive network of roads spanning over 41,000 kilometers. This transformation has played a pivotal role in not only enhancing economic growth but also in fostering connectivity that has bridged geographical and developmental gaps within the region. The journey towards improving road infrastructure in Jammu and Kashmir gained momentum after 2019. Over the period of 2020-2022, road and tunnel infrastructure have been prioritized, with approximately one lakh crore being allocated for the construction of a robust road network. Major upcoming infrastructure projects J&K are (i) Jammu and Srinagar MetroLite (10,599 crores); (ii) Amarnath Marg Project (estimated cost of Project - Rs 1800 Crores); (iii) Upgradation of Khellani Tunnel; and (iv) Srinagar-Baramulla Uri National Highway (estimated cost of project - 823.45 crore) (Source: D&B Report)

Union Territory of Ladakh being a border area is of significant importance for national security as well as a popular tourist location thus underscoring the key role of developing a robust road infrastructure. The administration has initiated several infrastructure development projects in Ladakh, including the construction of new roads, bridges, and tunnels. According to the FY 2022 Annual Report of the Ministry of Road Transport & Highways, there are 8 stretches with a length of 230 km at total project cost of Rs. 22.8 billion under construction by the National Highways & Infrastructure Development Corporation. The Vision document 'Vision 2050 for UT of Ladakh' outlines the challenges and aspirations/development strategies of Ladakh in various areas including infrastructural development such as; Connectivity by all-weather roads by 2030, Upgradation in capacities of regional road network, Construction of roads and tunnels at strategic and high altitude locations to strengthen national security in progress, Vision 2050 for sustainable development across key areas including building strong road network. (Source: D&B Report)

SRM Contractors Limited has emerged as a key player in infrastructure construction industry in the UT of J&K and Ladakh. SRM Contractors Limited has a executed several road, tunnel and slope stabilisation projects. The Company, over its 15 years of experience has developed technical capabilities to execute projects in *hilly/challenging terrain in the region. (Source: D&B Report)*

*For further details, see "**Industry Overview**" on page 115*

We believe that we stand benefitted and would further benefit from various government initiatives in infrastructure development, particularly development of infrastructure sector in Union Territory of Jammu & Kashmir and Ladakh.

Key Performance Indicator

From the commencement of our business operations, we have witnessed a rise in our revenue from operations and moreover we have demonstrated profitability with operating performance. Our Company had achieved revenue from operations of ₹ 30,029 lakhs in Financial Year 2023, ₹26,361 lakhs in Financial Year 2022 and ₹16,005 lakhs in Financial Year 2021, representing 13.91%, year-on-year growth and 64.70 % year-on-year growth in Financial Year 2023 and Financial Year 2022, respectively.

Our key financial performance indicator for Financial Year 2023, Financial Year 2022 and Financial Year 2021 are detailed as below;

(₹ in lakhs, unless stated otherwise)

Parameter	Financial Year 2023	Financial Year 2022	Financial Year 2021
Total income	30,065.09	26,550.88	16,194.74
Total revenue from operations (in ₹)	30,029.08	26,361.14	16,005.89
Current Ratio	2.05	1.56	1.23
EBIDTA	3,865.67	3,201.28	1,832.82
EBIDTA Margin (in %)	12.87 %	12.14%	11.45%
Net Profit for the Year	1,874.62	1,756.77	827.28
Net Profit Margin (in %)	6.24%	6.66 %	5.17%
Return on Net Worth (in %)	34.85%	49.30%	36.43%
Return on Capital Employed (in %)	35.04%	42.16%	31.17%
Debt-Equity Ratio	0.75	0.71	1.19
Debt Service Coverage Ratio	3.26	3.25	3.68

As certified by the Stautory Auditors vide certificate dated September 25, 2023.

Notes:

(l) Total income includes revenue from operation and other income

(m) Revenue from operations represents the Contact receipt income from the projects executed by the Company as recognized in the Restated financial information.

(n) 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.

(o) 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.

(p) EBITDA margin is calculated as EBITDA as a percentage of total income.

(q) Net Profit for the year represents the restated profits of our Company after deducting all expenses.

(r) Net Profit margin is calculated as restated profit & loss after tax for the year divided by total income.

(s) 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.

(t) Return on capital employed 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).

(u) 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.

(v) 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

KPIs	Explanations
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
EBITDA *(₹ in lakhs)*	EBITDA provides information regarding the operational efficiency of our business
EBIDTA 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.

For further details, please see "***Management Discussion and Analysis of Financial Condition Results of Operations***" and "***Basis for Issue Price***" on page 273 and 105 respectively.

Operation wise revenue

Our Company's revenue from operations for Financial Year 2023, Financial Year 2022 and Financial Year 2021 are detailed as below;

(*₹ in lakhs*)

Our operations	Revenue from Operations as on March 31, 2023	As % of Revenue from Operations	Revenue from Operations as on March 31, 2022	As % of Revenue from Operations	Revenue from Operatio ns as on March 31, 2021	As % of Revenue from Operations
Road Projects	13,532.93	45.07%	10,277.71	38.99%	8,729.29	54.54%
Tunnel Projects	7,822.08	26.05%	10,857.19	41.22%	6,742.26	42.12%
slope stabilisation works	8,390.26	27.94%	4,904.58	18.61%	228.71	1.43%
Other miscellaneous civil Construction Activity	283.80	0.94%	311.66	1.18%	305.62	1.91 %

As certified by the Stautory Auditors vide certificate dated September 25, 2023.

We are led by our Promoter Mr. Sanjay Mehta, who have extensive experience in the infrastructure construction industry and has been intimately involved in our business since inception. Our Promoter continues to remain actively involved in our operations and continues to bring his vision, business acumen and leadership to our Company, which has been instrumental in sustaining our business operations and growth. We also have qualified and experienced Key Managerial Personnel and Senior Management Personnel who have demonstrated their ability to manage and grow our operations and leverage and deepen customer relationships. For further details, see "***Our Promoters***" and "***Our Management***" on page 220 and 204, respectively.

Our Strengths

We believe that the following are our primary competitive strengths;

1. ***Proven track record of efficient execution of roads, tunnels and slope stabilisation works in the difficult terrain of union territory of Jammu and Kashmir.***

   We are an engineering construction and development company engaged in construction of road (including bridges), tunnels, slope stabilization works and other civil construction activities in the difficult terrain of Union Territories of Jammu & Kashmir and Ladakh. Our primary focus on the roads, tunnel projects and slope stabilisation works has helped us in gaining technical expertise of undertaking such projects of different sizes involving varying degree of complexity while simultaneously helping us to also develop quality control systems, acquire a fleet of modern construction equipment and employ manpower to supplement the growth of our construction business.

   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 September 15, 2023, we have completed thirty-seven (37) projects having an aggregate contract value of ₹ 77,088 Lakhs which includes thirty-one (31) roads projects, three (3) tunnel projects, one (1) slope stabilisation works and two (2) other miscellaneous civil construction activities. Out of the thirty-seven (37) projects executed by our Company, twenty-nine (29) infrastructure construction projects, including sub-contracting assignments, have been executed independently by us and eight (8) projects have been executed through project specific joint ventures.

   We believe that we have developed the expertise and know-how to undertake infrastructure construction projects in the difficult terrain of the Union Territory of Jammu and Kashmir and Ladakh. The construction of infrastructure projects in the hilly area is difficult as compared to the construction activity in plains as the construction activity in hill areas poses varied degrees of complexities such as difficult terrain, sharp bends and curves, steep gradients and limited width of roadway, extreme weather and other environmental & safety constraints. We believe that our expertise to operate in difficult terrain and successfully execute projects with varied degrees of complexities with timely execution capacities, financial strength as well as the price competitiveness of our bid provides us competitive edge and enables us to secure contracts from departments of governmental authorities and other entities funded by the GoI. We believe that our expertise and know-how also help us to secure sub-contracting assignments from third party major infrastructure and construction entities executing their projects in the Union Territory of Jammu and Kashmir and Ladakh.

   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 Territory of Jammu and Kashmir and Ladakh.

2. ***Efficient business model of selecting and clustering of our projects in the union territories of Jammu & Kashmir and Ladakh***

   Our growth is largely attributable to our efficient business model of focusing, selecting and clustering of our projects in the Union Territory of Jammu and Kashmir and Ladakh. We believe that this model has facilitated us with maximum efficiency and profitability as we leverage our expertise and know-how to undertake infrastructure construction projects in the difficult terrain of the Union Territory of Jammu and Kashmir and the same provide us with the competitive advantage. We carefully select our contracts, usually with a focus on EPC projects, by taking into consideration key factors such as the potential for project clustering. We strive to cluster our projects geographically in the Union Territory of Jammu and Kashmir and Ladakh to improve efficiency and profitability. By leveraging the manpower, equipment and materials which are set-up at nearby work sites, we attempt to save transportation costs and investment in new equipment, thus achieving economies of scale. We apply this principle even to projects that we undertake on sub-contract basis.

3. ***Continuous Focus on equipment ownership***

Equipment asset management is a critical element of timely delivery of quality infrastructure development and construction projects. We own a large fleet of sophisticated construction equipment which enables us to be less dependent on third party equipment providers and to efficiently manage our project execution schedules. We believe that this also provides us with a competitive advantage over other infrastructure development and construction companies that outsource their construction activities to external contractors. We have consistently invested in fleets of modern construction equipment. We often acquire equipment of the same class and same brand to facilitate the training of operators and help reduce equipment down time and maintenance cost. With multiple projects in progress at any given time, ready access to such equipment is essential to our ability to execute existing projects on time and bid for additional projects. Easy access to and high availability of our modern equipment fleet has enabled us to undertake complex and challenging projects and complete our projects efficiently and profitably. As on September 15, 2023, we own and maintain 227 equipment and machineries consisting of seven (7) hot mix plant, six (6) stone crushers, twenty one (21) excavator, fifteen (18) backhoe loader, forty two (42) tippers/dumpers, three (3) boomer, three (3) shotcrete machine, seven (7) hot bitumen pressure distributor, three (3) wet mix macadam plant, seven (7) tandem roller compactor, five (5) road roller, seven (7) paver, four (4) grader, etc. As on March 31, 2023, the aggregate gross block value of our Company's property, plant and equipment was ₹6,877.86 lakhs. In the Financial Year 2023, our Company had spent ₹1,848.11 lacs, ₹585.12 lakhs in Financial Year 2022 and ₹1087.32 lakhs in Financial Year 2021 on equipment and machinery purchase and intends to add additional fleet of equipment and machinery, for details, see "***Objects of the Issue***" on page 89

4. ***Strong financial performance***

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, ₹26,361.14 lakhs in Financial Year 2022 and ₹16,005.89 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.

Our financial snapshot for Financial Year 2023, Financial Year 2022 and Financial Year 2021 are detailed as below;

(₹ in lakhs, unless stated otherwise)

Parameter	Financial Year 2023	Financial Year 2022	Financial Year 2021
Total income	30,065.09	26550.88	16,194.74
Total revenue from operations (in ₹ lakhs)	30,029.08	26,361.14	16,005.89
EBIDTA	3,865.67	3,201.28	1,832.82
EBIDTA Margin (in %)	12.87 %	12.14%	11.45%
Net Profit for the Year	18,74.61	17,56.77	827.28
Net Profit Margin (in %)	6.24%	6.66 %	5.17%

As certified by the Stautory Auditors vide certificate dated September 25, 2023.

We believe that we have been able to maintain our financial growth, due to efficient business model and our bidding strategy. We strive to maintain a robust financial position with emphasis on having a strong balance sheet. Our balance sheet enables us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations. Our financial strength also enables us to access bank guarantees at reasonable terms.

5. ***In-house integrated model***

Our in-house integration has been instrumental in our growth over the years. Our in-house integrated model, helps reduce our dependency on third parties for designing and engineering, procurement of key materials such as stone aggregates, and availability of machineries required to execute our projects, such as, boomers, shotcrete machines, batching plants, excavators, hot mix plants, compacters, among others, in a cost-effective manner. It also facilitates timely transportation of these materials to project.

As on September 15, 2023, our owned equipment fleet comprised 227 construction equipment and machinery. Further, as on March 31, 2023, the aggregate gross block value of our Company's property, plant and equipment was ₹ 6,877.86 lakhs. We believe that our in-house integrated model ensures that products and services required for development and construction of a project meet quality standards and are delivered in a timely manner, thereby reducing contractual risks associated with third party suppliers. This has contributed to our ability to successfully complete projects on time, without compromising on quality.

6. Experienced Promoters with strong management team

We have seen business growth under the vision, leadership and guidance of our individual Promoters, who have more than 14 years of experience in the construction industry. We believe that our Promoters have played a key role in the development of our business and we benefit from their industry knowledge and expertise, vision and leadership. Our Promoters have strong operational knowledge, good relationships with our clients and a successful track record of executing infrastructure projects.

In addition to our Promoter, our key management and senior management team includes qualified, experienced and skilled professionals who possess requisite experience across various division of our business. We believe the stability of our management team and the industry experience brought on by our individual Promoters enables us to continue to take advantage of future market opportunities. We believe that our senior management team is well qualified to leverage our market position with their collective experience and knowledge in the infrastructure construction industry, to execute our business strategies and drive our future growth. For further details relating to our Key Managerial Personnel and Senior Management Personnel, see "***Our Management – Key Managerial Personnel and Senior Management Personnel***" on page 216.

Our Strategies

1. Bid for, win and operate hybrid annuity model-based projects

Over the past few years, the Indian road sector, particularly road in union territory of Jammu & Kashmir and Ladakh, has gained momentum with the present government's thrust on economic reforms and policy measures focussed on expanding the transport network commensurate with India's economic growth and development. The government has planned for a number of projects on annuity basis. In projects undertaken on hybrid annuity model basis, the contractor is responsible to meet only 60% of the total project cost but undertakes the entire risk of operations and maintenance, while the government bears 40% of the total project cost and undertakes the entire toll collection risk. Hybrid annuity model generally provide better operating margins because of the added overall control of project costs that can be exercised by the contractor and fixed return by way of annuity for the contracted period of Annuity. For details, relating to HAM Projects, see "***Industry Overview***" on page 115.

By leveraging on our domain knowledge, expertise and technical know-how coupled with more than decade long experience in the construction business, in the difficult terrain of union territory of Jammu & Kashmir and Ladakh, we intend to strengthen our presence by bidding, winning and operate mid to large annuity projects. Our focus on larger projects will provide us an opportunity to rationalise fixed costs associated with large projects, such as employee expenses, system automation expenses and administration expenses, which typically represent a lower proportion of the total costs of the project than those incurred in smaller EPC projects. Going forward, while we intend to remain focussed on the construction and development of our existing EPC projects, we intend to actively pursue the opportunities to expand our portfolio of projects by bidding for Hybrid Annuity Model projects with strategic joint venture partners.

2. Expansion of fleet of machinery and equipment

Our strategy is to continue to acquire the core equipment that we typically require for our projects. Ownership of modern machinery and equipment ensures its continuous and timely availability, thereby increasing our efficiency and cost-effectiveness, which is critical to the operations of our business. Our

Company intends to increase the efficiency and competitiveness of its operations by continuously investing in state-of-the-art construction machinery and equipment in order to reduce our costs to execute our projects and have better operating margins. We believe that this will make us more efficient and also make us more competitive. To fuel our growth and expand operations, we intend a portion of Net Proceeds towards the acquisition of equipment from reputed manufacturers and continue with our strategy of placing minimum reliance on hired or leased equipment. For, details, see "***Objects of the Issue***" on page 89.

3. Focus on rationalizing our indebtedness.

Our Company focuses on rationalising our indebtedness. We have entered into various financing arrangements with banks and financial institutions for financial facilities. Our Company proposes to repay or prepay all or a portion of certain borrowings availed by our Company from the Issue Proceeds. For details see "***Objects of the Issue***" on page 89. The repayment or prepayment will help reduce our outstanding indebtedness, assist us in maintaining a more favourable debt equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion.

4. Further enhance our project execution capabilities

One of the primary focus areas of our project execution strategy is the completion of our projects on schedule. We also intend to continue to focus on performance and project execution in order to maximize client satisfaction and margins. We leverage technologies, designs and project management tools to increase productivity. We seek to optimize operating and overhead costs to maximize our operating margins. Our ability to effectively manage our projects will be crucial to our continued success as a reputed construction company. We intend to continuously strengthen our execution capabilities by adding to our existing pool of employees, attracting new graduates from engineering colleges in India, and facilitating continuous learning with in-house and external training opportunities. We also seek to implement an enterprise resource planning ("**ERP**") system for improved efficiency and better control over our project sites and offer our engineering and technical personnel a wide range of work experience, in-house training and learning opportunities by providing them with an opportunity to work on a variety of large, complex construction projects. We will also continue to focus on our health, safety and environmental management and quality management standards as we believe these elements of performance measurement have become important competition differentiators of contractors by potential clients.

5. Develop and maintain strong relationships with our clients and project specific joint venture partners

Our services significantly depend on procuring construction contracts undertaken by the government, semi-governmental authorities and other projects by private companies. Our business is also dependent on developing and maintaining strategic alliances with other contractors with whom we may want to enter into project-specific joint ventures or subcontracting relationships for specific purposes. We will continue to develop and maintain these relationships in both the client and vendor space. We intend to establish relationships and share risks with companies whose resources, skills and strategies are complementary to our business and are likely to enhance our opportunities. Our Company also proposes to make investment in project specific joint ventures from the Issue Proceeds. For details see "***Objects of the Issue***" on page 89.

6. Leverage core competencies with enhanced in-house integration

Our in-house integration has been instrumental in our growth over the years and we seek to focus on further enhancing our in-house capabilities. Depending on the nature of projects that we intend to bid for, we intend to enhance our in-house integration model in the areas of design and engineering capabilities, project management and central procurement facilities. We believe that further developing specialized in-house integration capabilities would reduce dependence on third parties, thereby avoiding risks and minimizing costs and time associated with outsourcing.

Completed Projects

Listed below are the top ten (10) projects completed by our Company based on total contract value up to September 15, 2023:

(in ₹ lakhs)

No.	Particular of Work Nature of Projects	Client Name	Nature of work	Total Contract Value	Independent/ Joint Venture
1	Construction of Tunnel T-15, Part Tunnel T-14 including Bridge No. 61 (between km 73.785 to 86.848 km approx) on Katra-Banihal section of Udhampur-Srinagar-Baramulla New BG Railway Line Project (Package T-15)	Third party major infrastructure and construction entities	Tunnel Project	16,876	Independent
2	Design and construction of Reinforced Earth Embankments at Bridge no. 40, 41 & 42 on Katra-Dharam section of Udhampur-Srinagar-Baramulla Rail link Project in the state of Jammu & Kashmir	KRCL	Slope Stabilisation works	9,643.28	JV (SRM – Rajinder Projects)
3	Rehabilitation and up-gradation to 2 lane with paved shoulder from design km 74.350 to km 90.150 (package IV) under 13 TF on Akhnoor - Poonch road (NH-144A) in the state of Jammu & Kashmir under BRO on EPC mode*	BRO	Road Project	6,432.01	Independent
4	Construction of balance lining work of wider section of Tunnel T12 Adit lining of tunnel T6, Cut & Cover between tunnel T9 and T10 including miscellaneous works on Katra Dharam section of Udhampur-Srinagar-Baramulla new BG Railway Line Project, J&K State	KRCL	Tunnel Projects	4,493.13	JV (SAI -SRM Projects)
5	Improvement /upgradtion of Mandi Phagla Buffiaz road from km 6th to km15th on Mandi side and km 6th to km 16th on Buffliaz and construction of road (new)from km 16th to 25th on Mandi side and km17th to km 37th on Buffliaz side by way of rathwork cutting, X-drainage works, protection works, pavement etc (under CRF)	Third party major infrastructure and construction entities	Road project	3,241.14	Independent
6	Construction of wider section of Tunnel for a length of 85m (appox) from km 42/977.50 to 43/062.50 in Tunnel no. 5 (Portal-1) and ancillary work on the Katra-Dharam Section of the Udhampur-Srinagar-Baramulla New BG Railway Line Project, Jammu & Kashmir	KRCL	Tunnel Projects	3,226.18	Independent
7	Construction of balance work of approach road from Kanthan to Dugga village (length 28km) on the Katra-Dharam section of USBRL project, District Reasi in J&K	KRCL	Road Project	2,650,71	JV (Indu- SRM Projects)
8	Restoration of road by way of clearance of consolidated slips, surface boulder, side drain, culverts including reconstruction of damaged edge walls and R/wall on batote Kishtwar (NH-244) from 80.0000km to123.600km division Doda in the state of Jammu & Kashmir	NHIDCL	Road Project	2,525.56	Independent
9	Construction of road from Sangrampur to Gajansoo km 5th to km 14th by way of	PWD, J&K	Road (including	2,469.60	Independent

No.	Particular of Work Nature of Projects	Client Name	Nature of work	Total Contract Value	Independent/ Joint Venture
	providing /lying of RBM filling , shingle Gr-11, 75mm thick wet mix macadam with paver finish 150mm thick in two layers of 75mmeach,50mm thick BM 25mm thick SDBC,12NOS 1M span RCC culvert, 16nos. 1.5m span RCC Culvert, 5no. 3m span RCC Culvert , 1nos 0.90m dia HP culvert , 13 nos. 0.60m dia HP culverts, 7nos. 0.45m dia HP Culvert, 3423 m pucca drain, 300m edge walls, 2nos vented causeways of 13.50m and 58m length each and 1no. PSC girder double lane bridge of 40m span along with approaches.		bridge) Project		
10	Restoration of road by way of clearance of consolidated slips, surface boulders, side drain culverts including reconstruction of damaged edge walls and R/walls on Batote-Kishtwar (NH-244) from KM26.000 to KM80.000, Division Doda in the state of Jammu and Kashmir.	NHIDCL	Road Project	2,351.63	Independent

**The project is under maintenance for a period of (4) four years from May 25, 2023 as per the contractual agreement with the client.*

Our Order Book

Our Company's Order Book as of a particular date represents the estimated revenues from the unexecuted portions of all the existing contracts. Further, our Company's Order Book as of a particular date is calculated on the basis of the aggregate contract value of our on-going construction projects as of such date reduced by the value of work executed by us until such date. The following table sets forth the break-up of our Order Book as per the Client:

No.	Particular of Work	Name of Client	Date of Award of Contract	Total Contract Value (in ₹ lakhs)	Work Executed till September 15, 2023(in ₹ lakhs)	Order Book value as on September 15, 2023 (in ₹ lakhs)	Independent/ Joint Venture
Road Projects							
1	Construction Of Realignment between Pandrass- Pashkyum (Net Length-27.10 Km) on Road Zozila-Kargil-Leh (NH-1) To 2 Lane Specifications I.E. Drass Realignment (9.30 Km), Kharboo Realignment (6.30 Km) & Kargil Alignment (11.50 Km) under Project Vijayak (Bro) in the Union Territory. of Ladakh on Epc Mode	BRO	June 19, 2023	20,568.30	Stage payment statement to be submitted^	20,568.30	JV (SRM-Rajinder Projects)
2	Construction of 110 Mtr Major Permanent Bridge at Km 1.825 (55 Mtr X 2) and Minor Permanent Bridges at Km 8.625 (30 Mtr) and Km 16.925 (30 Mtr) on Saser-Brangasa-Gapshan Road (Starting Point Km 0.00 at Gapsan) under Project Himank in Ladakh (Union Territory) On EPC mode	BRO	April 15, 2023	2,023.00	Stage payment statement to be submitted^	2,023.00	Independent
3	Construction and Upgradation to NHSL Specification from Km 29+000 (N-32°49'14.26" & E-78°44'53.76") to Km 60+652 (Salsa La Pass (N- 32°40'23.43" & E-78°33'44.38") (Design Chainage Km 29+000 to Km 54+900) of Road Hanle-Chumar	BRO	June 24, 2022	15,444.50**	9,539.60	5,904.90	JV (SRM-Rajinder Projects)

No.	Particular of Work	Name of Client	Date of Award of Contract	Total Contract Value (in ₹ lakhs)	Work Executed till September 15, 2023(in ₹ lakhs)	Order Book value as on September 15, 2023 (in ₹ lakhs)	Independent/ Joint Venture
	Under Project Himank in Ladakh (Union Territory) on EPC Mode (Length 25.900 Km)						
4	Construction of access Road for Khanikote to North Portal of (P2) T-13 & South Portal (P1) of T-14$.	Third party major infrastructure and construction entities	April 10, 2022	6,194.20	2160.70	4,033.50	Independent
5	Widening & strengthening of the existing approach Road from Digdole to Bajmasta in connection with construction of New Adit at Urnihal to the Tunnel T-49 A on Katra-Banihal section of USBRL Project$	Third party major infrastructure and construction entities	April 10, 2022	2,500.00	1023.40	1,476.60	Independent
6	Construction of alternate alignment of Lakhanpur- Thein Road km 11th to 12th due to submergence of 2x39 mtr RCC R-Girder Bridge on Nora Nallah	PWD, J&K	February 26, 2022	1,449.00	612.40	836.60	Independent
7	Upgradation of Tutan Di Khuie to Khada-Madana Road*	ERA, Jammu	January 7, 2021	2,661.70	1143.20	1,518.50	Independent
8	Design and Construction of 58.0 mtr span (2- Lane) Steel motorable bridge from Katheel Ganjoo to Barsoa over Ghordi Nallah and 50.0 mtr span(2-lane) motorable bridge from Barsoa to Patri over Barmeen Nallah Ramnagar (Complete Job) in Udhampur District.	ERA, Jammu	December 16, 2020	1,324.30	1152.30	172.00	Independent
9	Up gradation of Gulati to Shahdra Sharief via Gambir Gali	ERA, Jammu	July 13, 2020	3,897.70	1967.50	1,930.20	JV (SRM-Rajinder Projects)
10	Widening and up-gradation to 2-lane with paved shoulder configuration and geometric improvement from km 0.000 to km 16.990 on Chenani – Sudhmahadev section of NH-244 in the state of Jammu & Kashmir	NHIDCL	November 18, 2028	15,504.00	12,524.60	2,979.40	JV (ECI-SRM Projects)
11	Construction of road from Palali to Machail,Package No. JK04-420, Stage I Block Paddar, District Kishtwar.	JKRRDA	September 20, 2018	853.00	205.70	647.30	Independent
12	Construction of road from L024-Shiwas to forest block Gandhari JK04-419 block Paddar Distt Kishtwar	JKRRDA	September 20, 2018	960.60	99.10	861.50	Independent
Tunnel Projects							
13	Construction of 50 mtr Cavern and 21m Approach Tunnel with Portal at one end at general area Hanle under Project Himank in Ladakh (UT) on EPC mode.	BRO	July 13, 2023	2,025.00	Stage payment statement to be submitted^	2,025.00	Independent
14	Construction Of Cut and Cover Tunnel Having 520 Mtrs Length Between Km 51+950 to Km 52+500 And 400 Mtrs Length between km 52+550 To Km 52+950 including Minor Bridge on D-S-DBO Road Under Project Himank in Ladakh (Union Territory) On EPC Mode	BRO	August 20, 2022	9,873.40	Stage payment statement to be submitted^^	9,873.40	Independent

No.	Particular of Work	Name of Client	Date of Award of Contract	Total Contract Value (in ₹ lakhs)	Work Executed till September 15, 2023(in ₹ lakhs)	Order Book value as on September 15, 2023 (in ₹ lakhs)	Independent/ Joint Venture
	(Net Tunnel Length 920 Mtrs)						
15	Construction of Tunnel T48 (between Km 100.000 to Km 110.200 approx) on Katra Banihal section of Udhampur Srinagar Baramulla New BG Railway Line Project (Package T 48R)$	Third party major infrastructure and construction entities	April 15, 2022	3,600.00	1,685.70	1,914.30	Independent
16	Extension of wider section at T41P2, providing Niches for Tunnels T40-47 and Stabilization of Strata at Tunnel T45P2 at Sangaldan on the Katra Dharam section of Udhampur - Srinagar-Baramulla Rail Link Project, Jammu & Kashmir.	KRCL	February 20, 2020	5,943.00	4,816.70	1,126.30	Independent
17	Engineering, Procurement and Construction of Construction of 1386m Tunnel including ANS Irrigation Canal Rajouri, J&K#.	Irrigation & Flood Control Department, J&K,	September 22, 2017	4,380.10	1,123.60	3,256.50	JV (*ECI-SRM Projects*
Slope Stabilisation Work							
18	Hill Slope Stabilization at Km 28.990, Km 29.500, Km 30.800, Km 31.900, Km 32.300, Km 32.500, Km 33.500, Km 34.400 & Km 35.600 on Melyal-Pharkiyan Gali-Datt Bridge Road in The Sector Of 109 Rcc/32brtf/ Project Beacon In J&K (Ut) (EPC Mode)	BRO	September 8, 2023	1,579.50	Contract agreement to be signed with client^^	1,579.50	Independent
19	Balance work of cut slope stabilization (Earthwork in excavation & Filling, slope support system etc.) for Sumber station yard on Dharm Qazigund Section of Udhampur –Srinagar-Baramulla New BG Railway Link Project including Digdole to Bajmasta$	Third party major infrastructure and construction entities	April 1, 2022	5,010.40	294.18	2,068.60	Independent
20	Construction of Reinforced Earth Wall and Road Work for our Project i.e. Construction of Proposed Buildings including Main Station Building, DG Room, Guest House, RPF & GRP Barracks, RPF & GRP Posts and Road for Sumber Station Yard of USBRL Project, J&K. (Package: Buildings & Roads/Sumber Station Yard) $	Third party major infrastructure and construction entities.	February 16, 2023	5,600.00	Interim invoice to be submitted	5,600.00	Independent
Other Construction Activity							
21	Construction of 100 units (Type-II = 64 Nos - G+3, Type-III = 36 Nos - G+2) Phase-I as per approved design and drawings including other related, ancillary works at Katra in connection with Udhampur-Srinagar-Baramulla-Rail Link Project	Northern Railway	June 10, 2019	1,665.60	1318.00	3,47.60	JV (*Kapahi-SRM Projects*)
	Total			113057.30	42314.30	707,43.00	

Due to certain dispute relating to feasibility of proposed construction, our Company has filed arbitration petitions. For further information, see "Outstanding Litigation and Material Developments – Litigation by our Company**" on page 287]*

*#Due to non-payment of the remaining contract value, our Company has filed arbitration petitions For further information, see "**Outstanding Litigation and Material Developments – Litigation by our Company**" on page 287*

^As on September 15, 2023, we have begun the construction work and has completed certain percentage of work. However, as on September

15, 2023, we had not submitted the stage payment statement with the client for the disbursement of requisite amount.
^^As on September 15, 2023, Geotechnical Survey is under process. The Projects have been awarded recently and we are in process of entering the contract agreement with the client. $Work allotted to us is on sub-contract basis.

The revenue and percentage of revenue from operations derived from our top clients is given below:

(in ₹ lakhs)

No.	Particulars	Financial Year 2022-23		Financial Year 2021-22		Financial Year 2020-21	
		Revenue	%	Revenue	%	Revenue	%
1.	Revenue from Top five (5) Clients	21,518.48	71.66 %	21,050.37	79.85 %	12,440.27	77.72%
2.	Revenue from Top ten (10) Clients	27,626.16	92.00%	25,280.30	95.90%	14,597.40	91.20 %

As certified by the Stautory Auditors vide certificate dated September 25, 2023.

Our Joint Ventures

Out of the twenty-one (21) ongoing infrastructure construction projects, fifteen (15) infrastructure construction projects, including sub-contracting assignments, is being executed independently by us and six (6) infrastructure construction projects are being executed with our project-specific joint ventures. We undertake contracts independently or whenever required, through our project-specific joint ventures with other infrastructure and construction entities, in particular, 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 details of our Joint Ventures are as follows;

1. ECI Engineering and Constructions Company and SRM Projects

Our Company and ECI Engineering and Constructions Company Limited ("**ECI Engineering**") have jointly entered into two (2) Joint Venture Agreements. The details of which are:

(i) ECI Engineering and our Company have formed a project specific joint venture with the name *ECI- SRM Projects* ("**ECI-SRM JV**") by entering into an agreement dated January 27, 2014 for jointly bidding for engineering, procurement and construction of 1,386m Tunnel including ANS Irrigation Canal Rajouri, Jammu & Kashmir, a project by Irrigation and Flood Department, Jammu, Government of Jammu & Kashmir. The said project was awarded to ECI-SRM JV. Our Company is the lead member of the JV. ECI Engineering is responsible for project management, designing and planning of the contract work whereas our Company was responsible for execution and technical aspect of the contract including finance. The agreement has been effective since January 27, 2014 and shall be in force until the completion of the project.

Current Status: Out of the total value of work awarded of ₹4,380.10 lakhs, work equivalent to ₹1123.60 Lakhs 25.65%) has been executed and pending order value is ₹3256.50lakhs (74.35 %) as on September 15, 2023. For details, see serial no. 17 in the Order Book on page 175.

Note: ECI-SRM Projects filed a writ petition bearing number WP(C) 2242 of 2022 before the Hon'ble High Court of Jammu and Kashmir and Ladakh ("**J&K High Court**") against State of Jammu and Kashmir; Chief Engineer, Jal Shakti Irrigation & F.C. Department, Civil Secretariat, Jammu; Superintending Engineer, Irrigation & F.C. Department, Hydraulic Circle Rajouri; and Executive Engineer, Irrigation & F.C. Division Rajouri ("**Respondents**") seeking release of an pending amount along with other charges as ECI-SRM Projects have not received the payment since March 2019. However, ECI-SRM Projects, had not stop the work and proceeded towards the completion of the contract while sending reminders to the Respondents for payment. The matter is presently pending and the next date of hearing is October 13, 2023. For further information, see *"**Outstanding Litigation and Material Developments – Material Civil Proceedings**"* on page 291.

(ii) ECI Engineering and our Company have formed a project specific joint venture with the name *ECI- SRM*

Projects ("**ECI-SRM JV"**) by entering into an agreement dated February 12, 2018 for jointly bidding for "widening and upgradation to 2 lanes with paved shoulder configuration and geometric improvement from km 0.000 to km 16.990 on Chennai-Sudhmahadev section of NH-224" a project by National Highway Authority of India in the union territory of Jammu & Kashmir and Ladakh. The said project was awarded to ECI-SRM JV. ECI Engineering is the lead member of the JV with 80% of share and our Company holds 20% of shares in the JV. Both our Company and ECI Engineering are jointly and severally responsible for all the obligations and liabilities relating to the project undertaken by ECI-SME JV till completion. The agreement has been effective since February 12, 2018 and shall be in force until the completion of the project.

Current Status: Out of the total value of work awarded of ₹15,504.00 lakhs, work equivalent to ₹12,524.606 Lakhs (80.78%) has been executed and pending order value is ₹2979.40 lakhs (19.22%) as on September 15, 2023. For details, see serial no. 10 in the Order Book on page 174.

2. Kapahi SRM Projects (JV)

M/s. Kapahi Constructions Co. ("**Kapahi**") and our Company have formed a project specific joint venture with the name *Kapahi- SRM Projects* ("**Kapahi-SRM JV"**) by entering into an agreement dated January 25, 2019 for jointly bidding for "Construction of 100 units (Type-II=64 Nos-G+3, Type-III=36 Nos-G+2) Phase-I as per approved design and drawings including other related, ancillary works at Katra in connection with Udhampur-Srinagar-Baramulla-Rail Link Project" a project by Norther Railways in the union territory of Jammu & Kashmir said project was awarded to Kapahi-SRM JV. Kapahi is the lead member of the JV with 51% of share and our Company holds 49% of shares in the JV. Both our Company and Kapahi are jointly and severally responsible for satisfactorily execution of the project undertaken by Kapahi-SRM JV. Under the JV, Kapahi is responsible for planning, designing, monitoring, quality control and supervision of the work whereas our Company is responsible for liasoning and execution of the work. The agreement has been effective since January 25, 2019 and shall be in force until the completion of the project.

Current Status: Out of the total value of work awarded of ₹1,665.60 lakhs, work equivalent to ₹1,318.00 lakhs (79.13%) has been executed and pending order value is ₹ 347.60 lakhs (20.87%) as on September 15, 2023. For details, see serial no. 21 in the Order Book on page 175.

3. SRM-Rajinder Projects (JV)

Our Company and Rajinder Infrastructure Private Limited ("**Rajinder Infrastructure**") have jointly entered into three (4) Joint Venture Agreements out of which we are executing the below listed projects under (3) Joint Venture Agreements*. The details of which are:

i. Our Company and Rajinder Infrastructure have formed a project specific joint venture with the name SRM- Rajinder Projects ("**SRM Rajinder JV**") by entering into an agreement dated March 25, 2022, for jointly bidding for the construction and upgradation to NHSL Specification from km 29+000 (N-32°49'14.26" & E- 78°44'53.76")to Km 60+652 (Salsa La Pass (N- 32°40'23.43" & E-78°33'44.38") (design chainage km 29+000 to km 54+900)of Road Hanle-Chumar under Project Himank in Ladakh (UT) of Border Road Organisations on EPC mode(length 25.900 km)in the union territory of Jammu & Kashmir and Ladakh. The said project was awarded to SRM Rajinder JV. Our Company is the lead member of the JV with 70% of share and Rajinder Infrastructure holds 30% of shares in the JV. Both our Company and Rajinder Infrastructure are jointly and severally responsible for satisfactorily execution of the project undertaken by SRM Rajinder JV. Under the JV, our Company has undertaken to perform at least 51% of total length of the project.

Current Status: Out of the total value of work awarded of ₹15,444.50 lakhs, work equivalent to ₹ 9539.60 lakhs (61.76%) has been executed and pending order value is ₹5,904.90 lakhs (38.24%) as on September 15, 2023. For details, see serial no. 3 in the Order Book on page 173.

ii. Our Company and Rajinder Infrastructure have formed a project specific joint venture with the name SRM- Rajinder Projects ("**SRM Rajinder JV**") by entering into an agreement dated November 18, 2019, for jointly bidding for engineering/and or contract works, in connection with the "Upgradation of Gulati to Shahadra Sharief Road via Gambir Gali" under Jhelum and Tawi Flood Recovery Project in the union territory of Jammu & Kashmir. The said project was awarded to SRM Rajinder JV. Rajinder Infrastructure is the lead member of the JV with 51% of share and Our Company holds 49% of shares in the JV. Both JV partners are jointly and severally responsible for satisfactorily execution of the project undertaken by SRM Rajinder JV. The agreement has been effective since November 18, 2019 and shall be in force until the completion of the project.

Current Status: Out of the total value of work awarded of ₹3,897.70 lakhs work equivalent to ₹1,967.50 lakhs (50.47%) has been executed and pending order value is ₹ 1,930.20 lakhs (49.53%) as on September 15, 2023. For details, see serial no. 9 in the Order Book on page 284.

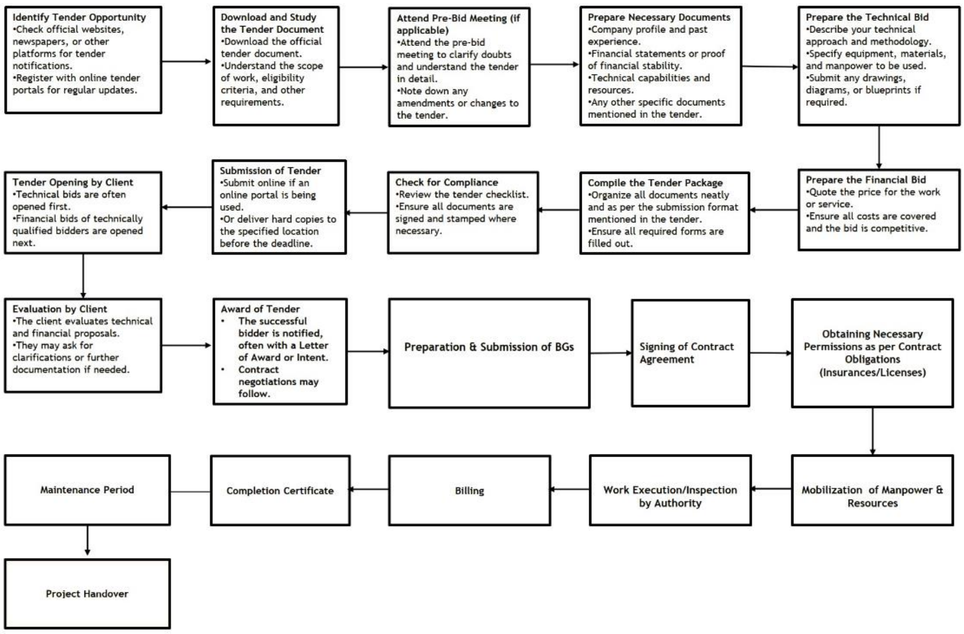
iii. Our Company and Rajinder Infrastructure have formed a project specific joint venture with the name SRM- Rajinder Projects ("**SRM Rajinder JV**") by entering into an agreement dated March 25, 2022, for jointly bidding for the Construction of Realignment between Pandrass- Pashkyum (Net Length-27.10 Km) on Road Zozila-Kargil-Leh (Nh-1) To 2 Lane Specifications i.e., Drass Realignment (9.30 Km), Kharboo Realignment (6.30 Km) & Kargil Alignment (11.50 Km) Under Project Vijayak (BRO) in the U.T. Of Ladakh under BRO on EPC mode. The said project was awarded to SRM Rajinder JV. Our Company is the lead member of the JV with 51% of share and Rajinder Infrastructure holds 49% of shares in the JV. Both our Company and Rajinder Infrastructure are jointly and severally responsible for satisfactorily execution of the project undertaken by SRM Rajinder JV. Under the JV, our Company has undertaken to perform at least 51% of total length of the project.

Current Status: As on September 15, 2023, we have begun the construction work and has completed certain percentage of work. However, as on September 15, 2023, we had not submitted the stage payment statement with the client for the disbursement of requisite amount. For details, see serial no. 1 in the Order Book on page 173.

In addition to the above stated project specific joint venture, please note that our Company and Rajinder Infrastructure had formed a project specific joint venture with the name SRM- Rajinder Projects ("SRM Rajinder JV**") by entering into an agreement dated November 18, 2019 for jointly bidding for "Upgradation of Sidhra-Surnisar Road" under Jhelum and Tawi Flood Recovery Project in the union territory of Jammu & Kashmir. The said project was awarded to SRM Rajinder JV. Rajinder Infrastructure was the lead member of the JV with 51% of share and our Company held 49% of shares in the JV. Both our Company and Rajinder Infrastructure were jointly and severally responsible for satisfactorily execution of the project undertaken by SRM Rajinder JV. The total value of work awarded was ₹1591 lakhs and 100% of the work is completed and completion certificate has also been awarded. However, **SRM Rajinder JV** flagged certain technical discrepancies with the execution of work causing losses **SRM Rajinder JV and thus** have filed an arbitration petition bearing number 38/2022 before the Hon'ble High Court of Jammu and Kashmir and Ladakh ("**J&K High Court**") against the Union Territory of Jammu & Kashmir; Director, Technical, PMU JTFRP, and Project Manager T (ERA), PMU JTFRP (collectively, "**Respondents**") and therefore the said **SRM Rajinder JV still exist on account of the above stated arbitration.** For further information, see "**Outstanding Litigation and Material Developments – Material Civil Proceedings**" on page 290.*

Our Business Operations

We set out below the flow chart briefly detailing various steps involved in the life cycle of a project:



We enter into contracts primarily through a competitive bidding process. Our clients typically advertise for potential projects on government portal such as eprocurement/etenders/defenceprocurement/GEM and in leading national newspapers. Accordingly, our tender department does a regular review of the leading national newspapers and relevant government portal to identify projects and other online platforms that could be potentially viable for us. We have also registered ourselves with an online tender portal which update as soon as any new tender invitation is floated. Our clients issue various types of tenders depending on the kind of work that needs to be executed by the contractor. Our tendering department has to consider each tender by its type before preparing our Company's bid for a particular project.

Upon identifying a viable project, the tendering department seeks approval of our management in order to determine if the identified projects are to be pursued. These discussions are based on various factors which include discussion on the scope of work, geographic location of the project, the degree of complexity in executing the project in such location, evaluation of eligibility, our current and projected workload, the likelihood of additional work, the project cost and profitability estimates and our competitive advantage relative to other likely bidders. At times, our tender department also attend pre-bid meetings to understand amendments brought in by clients post invitation or clarify doubts, if any.

Our Company's dedicated tendering department is responsible for bidding and pre-qualifications. The tendering department evaluates our Company's credentials in light of the stipulated eligibility criteria. While we endeavour to meet eligibility criteria for projects on our own, in the event we are unable to meet the criteria, we look to form project specific JVs with other qualified contractors and strengthen our chances of pre-qualifying and winning the bid for the project. Notices inviting bids may either involve pre-qualification, or short listing of contractors, or a post qualification process. Pre-qualification applications generally require us to submit details about our organizational set-up, financial parameters (such as turnover, net worth and profit and loss history), employee information, details of equipment and machinery owned, submission of blueprints of projects, (if required), portfolio of executed and ongoing projects and details in respect of litigations and arbitrations in which we are involved. While awarding contracts for major projects, our clients generally consider contractors that they have pre-qualified based on several criteria, including experience, technical ability and performance, reputation for quality, safety record, financial strength, bidding capacity and size of previous contracts in similar projects. After technical evaluation, price competitiveness is the primary selection criterion.

After we pre-qualify for a bid, we are required to submit a financial bid. In order to submit a financial bid, our Company conducts an in-depth study of the proposed project, which inter alia includes, (i) study of the technical and commercial conditions and requirements of the project; (ii) a site visit to determine the site conditions by studying the terrain and access to the site; (iii) local market survey to determine availability of key construction material, labour, and specialist sub-contractors, as the need may arise; and (iv) analysis of the incidence or levies (if any) at or around the project site. Further, our tender department invites quotations from vendors, sub-contractors and specialist agencies for various items or activities in respect of the tender. After the information gathered from the local market survey, our tender department arrives at the cost of items in the Bill of Quantities ("**BOQ**"). This estimate is then marked-up to arrive at the bid price to the client. The basis of determination of the mark-up is based on overheads, expenditure and profitability benchmarks as per our policies.

Alternatively, the client may choose to invite bids through a post-qualification process wherein the contractor is required to submit the financial bid along with the information mentioned above in two (2) separate envelopes. In such a situation, the client typically evaluates the technical bid or pre-qualification application initially and then opens the financial bids only to those contractors who meet the stipulated criteria.

Once the client declares our Company as the lowest bidder, a letter of allotment is issued and thereafter Company is required to submit a bank guarantee as detailed in the letter of allotment. For EPC based projects, our engineering and design department and consultants submit the working drawings and design calculations for approval with the concerned client and its consultants. Construction activity typically commences once the client approves working designs and issues drawings. The project team immediately identifies and works with the procurement department to procure the key construction materials and services required to commence construction. Materials cost form a major part of the total project cost. Therefore, the ability of our procurement department to ensure adequate and timely supply of the required materials at competitive prices during the tenure of the contract plays a very important role in overall execution of the contract.

Based on the contract documents, a detailed schedule of construction activities is prepared. For projects that are mainly construction contracts, the tender department forwards all documents and other necessary details to the project team. The PERT and CPM techniques are used by the Company for project planning , time frames, Scheduling and getting the whole project completed within timelines along with balancing the cost of the project within reasonable time frames. The project team prepares the works plans and estimates of materials, budgeted rates for material, services, equipment and manpower to be deployed at the project site and forward them further to the procurement department. The procurement department proceeds to procure the material, manpower and equipment for the project from both internal and external sources as per the schedule of the project. We begin the project by mobilizing manpower and equipment resources and the setting up of site offices, stores and other ancillary facilities.

A detailed schedule of construction activities is prepared to ensure optimum project management at every stage of the project. Additionally, the senior management of our Company follow a hands-on approach with respect to project execution. Joint measurements with the client’s representative are taken on a periodic basis and interim and final invoices are prepared and issued to the clients on the basis of such measurements. These invoices certified by the designated person for certification are sent to the client along with various certifications for release of payments. The finance department is also responsible for certifying the bills prepared by our vendors and sub-contractors for further processing.

Upon completion of construction of a project, typically an independent engineer appointed for the project certifies the work completed and a completion certificate is issued by the client. Our completed projects also include those projects for which we have been issued provisional completion certificates by the relevant authority. Provisional completion certificates include projects where symbolic possession has been taken by the client and final bills are pending approval. Depending on the scope of work for a project, maintenance may be required to be carried out by us upon completion of construction. The retention money, which is typically in form of bank guarantee, is released by the client upon completion of the defect liability period.

Description of our Business

1. *EPC Contracts*

Our primary business operations are EPC contracts in which the client provides information about the project in form of Detailed Project Report which is tentative in nature however the technical parameters to be followed are specified in the contract documents. On allotment of the work, we are required to prepare project specific engineering designs & drawings that adhere to laid down technical parameters, procure material and equipment for the project and execute the project.

2. ***Item Rate Contracts***

These contracts are also known as unit-price/schedule rates contracts for which we are required to quote rates for individual items or percentage for the whole work on the basis of schedule of quantities provided in the bid. The design and drawings are provided by the client. Our risk is lower in item rate contracts as compared to EPC Contracts as we are paid according to the actual amount of work.

Integrated In-House Model

We undertake our construction business in an integrated manner as we have the key competencies and in-house resources to deliver a project from its conceptualization to completion. Our in-house integrated model reduces dependence on third parties for designing and engineering, procurement of key materials and availability of machineries required to execute our projects, such as, boomers, shotcrete machines, batching plants, excavators, hot mix plants, compacters, among others, in a cost-effective manner. It also facilitates timely transportation of these materials to project sites. Our integrated business model facilitates execution of projects within scheduled timelines. Our in-house resources include a dedicated engineering and design department, procurement team, owned fleet construction equipment and machineries and light transportation vehicles, more particularly described hereunder;

Equipment - We own a large fleet of sophisticated construction equipment which enables us to be less dependent on third party equipment providers and to efficiently manage our project execution schedules. We believe that this also provides us with a competitive advantage over other infrastructure development and construction companies that outsource their construction activities to external contractors. We have consistently invested in fleets of modern construction equipment. We often acquire equipment of the same class and same brand to facilitate the training of operators and help reduce equipment down time and maintenance cost. With multiple projects in progress at any given time, ready access to such equipment is essential to our ability to execute existing projects on time and bid for additional projects. Easy access to and high availability of our modern equipment fleet has enabled us to undertake complex and challenging projects and complete our projects efficiently and profitably. As on September 15, 2023, we own and maintain 227 equipment and machineries consisting of two (2) hot mix plant, two (2) ready mix concrete plan, two (2) boomer, two (2) stone crushers units, two (2) shotcrete machine twenty two (22) excavator, eighteen (18) backhoe loader, forty two (42) tippers/dumpers, etc. As on March 31, 2023, the aggregate gross block value of our Company’s property, plant and equipment was ₹6,877.86 lakhs. Our Company had spent ₹1,848.11 lacs in the Financial Year 2023, ₹585.12 lakhs in Financial Year 2022 and ₹1087.32 lakhs in Financial Year 2021 for acquiring the plant and machineries and intends to add additional fleet of equipment and machinery, for details, see “***Objects of the Issue***” on page 89.

The following table provides a list of the major machineries and equipment owned by us as on the date of this Draft Red Herring Prospectus:

S.No	Item / Capacity	Nos.
1.	Boomer L2D	02
2.	Shotcrete Machine	02
3.	Batching Plant	03
4.	Hot Mix Plant	02
5.	Concrete Mixer	07
6.	Stone Crusher Unit	02
7.	Excavator	22
8.	Backhoe Loader	18
9.	Compacter	07
10.	Grader	04

S.No	Item / Capacity	Nos.
11.	Roller	05
12.	Paver	07
13.	Dumper	42
14.	Concrete Pump	02
15.	Compressor	03
16.	Ready Mix Concrete plant	02
17.	Tanker	03
18.	Pick Up	17
19.	LMV	27
20.	Tractor	01
21.	Silent Diesel Generator (15 KVA to 500 KVA)	10
22.	Concrete Compression Testing Machine	07
23.	Total Survey Station	10
24.	Auto Level	22

Engineering and Design Team

Our engineering and design team operates from our Registered office at Jammu and uses various software tools in the planning and execution of our projects since the pre-bidding stage. At the pre-bidding stage, this team prepares a basic design to facilitate preparation of estimates of quantities of key materials that will be required for construction of the project. Upon the award of a project, various sections of the engineering and design team plan and co-ordinate the work towards efficient completion of the design elements of the project. Once the pre-design activities such as surveys and site investigation are carried out, this team prepares a quality assurance plan for detailed design and planning based on the terms of the contract as well as the result of the surveys carried out. The final detailing and designing are carried out by the designers for timely execution of the project. Additionally, when specialist engineering and design services are required as per a contract's requirements, we avail third party consultants' services for the aforesaid purpose.

Procurement Team

Our central procurement team based at our Registered office at Jammu handles the procurement of all materials and engineering items like cement, steel, bitumen, fuel, rock bolts and soil nails, etc. We procure materials in bulk which not only results in economy in procurement but also helps us in developing good relationships with our vendors. Our project sites have procurement managers who oversee the local material requirement and report the same to central procurement team, thereby, ensuring good coordination in material procurement for all ongoing projects.

Project Management Team

Our project management team is supported by all the departments that are involved in the planning of a project, namely, engineering and design, procurement, construction, quality control, supply, logistics as well as our on-site teams. Based on the work schedule, each department coordinates with the project management team for planning efficient use of the available resources in execution of a project. Our engineering and design team thereafter initiates the design work based on the technical requirements of the projects in order of priority. Continuous value engineering is done in coordination with the project management team. Specifications are finalized by the project management team in accordance with the design and contractual requirements. Thereafter, the procurement team negotiates with suppliers and issues purchase orders on the basis of advance requirement of materials, to ensure quality and customized sizing as per the project specific requirements, for smooth supply of materials and equipment. Our supply logistics team, in coordination with the project management team, ensures timely delivery of materials at sites to avoid delays in achieving project timelines.

Quality Management Team

We endeavour to ensure that we maintain stringent quality standards at all stages of our project. Our aim is to reduce cost and cycle times through effective and efficient use of resources. We have a team of engineers and professionals, who ensure compliance with our quality management systems and statutory and regulatory compliances. In executing the projects, we monitor and test for quality conformity, track non-conformities and make rectifications to ensure clients' satisfaction. In addition, our company has received ISO 9001:2015 certified company.

Collaborations

We currently do not have any technical or other collaboration; however, our Company, from time to time, enters into project specific joint ventures for the purpose of bidding and execution of projects. For further information on our Joint Ventures, please see "***Our Business-Joint Ventures***" on page 176 and "**History and Certain Other Matters**" on page 195.

Insurance

We maintain insurance policies to cover risks related to our projects in accordance with the terms of our contracts/ projects and best industry practices. Our insurance policies include policies such contractors all risk policy, professional indemnity insurance policy workmen's compensation policy, public liability insurance policy and contractor plants and machinery policy. Further, we have taken Vehicle insurance policies to insure our vehicles. We believe that we maintain all material insurance policies that are customary for companies operating in similar businesses and as required under the work contract. We believe that our insurance policies insure us against various hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage, professional indemnity. However, our insurance coverage may not adequately protect us against all material hazards as the policies may not be sufficient to cover all our economic losses. Please see "***Risk Factors - Our insurance coverage may not be sufficient or may not adequately protect us against all or any hazards, which may adversely affect our business, results of operations and financial condition***" on page 51.

Health, Safety & Environment

We are committed to globally accepted best practices and compliance with applicable health, safety and environmental legislation and other requirements in our operations. We undertake induction training, fire-fighting training, snake bite prevention training, emergency preparedness and job specific training of skilled and unskilled manpower, in addition to the provision of protective equipment to ensure safety our manpower. We believe that we comply in all material respects with applicable occupational health and safety laws, regulations and other contractual requirements relevant to health and safety of employees and subcontractors at our project sites. We monitor and assess compliance issues in connection with our operations and undertake mock drills and other safety orientation programmes to create awareness and promote a safe working environment.

Infrastructure Facilities

Since our Company is engaged in construction business, we do not have any infrastructure facility, as such. However, for execution of our construction projects, we have in-house facilities with capacities as set out herein;

Plants and Equipment	Quantity	Capacity
Batching Plant	03	30 Cubic Meters/Hour
Hot Mix Plant	02	60-90 Tonnes Per Hr
Stone Crusher	02	50-80 Tonnes Per Hr
Ready Mix Concrete plant	02	9 Cubic Meters/Hour
Silent Diesel Generator	10	15 KVA to 500 KVA

These plants and units are temporarily installed at the project locations and are shifted to other locations after completion of work, on need basis. These plants are primarily used for production of intermediate products such as RMC, stone aggregates, etc used in construction activities at our project sites. It reduces our dependency on external suppliers, thereby helping in smooth execution of our projects. These plants are part of our equipment fleet. For details, see "***Our History and Certain Corporate Matter – Capacity***" on page 199.

Utilities

Water **-** Water requirement for each of our project is fulfilled from the nearby local area. If water is not readily available in nearby local area, we arrange to get the same from borewells or we hire water tankers to meet the water requirements of our project.

Power **-** Power requirement for our business is sourced from their respective state grids or normal power distribution channel to meet the power requirements. Additionally, to ensure uninterrupted power supply, we also use diesel generators as back-up.

Corporate Social Responsibility

Our Company has adopted a Corporate Social Responsibility ("**CSR**") policy and our CSR activities are administered by the CSR Committee. 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 believe in contributing to the communities in which we operate. We are committed towards our community by committing our resources and energies to social development and have aligned our CSR programs with Indian legal requirements. In line with the CSR Policy adopted by us, we have undertaken CSR activities towards 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. For further details on the composition of the CSR committee and its terms of reference, see ***Our Management – Corporate Social Responsibility Committee on page 214.*** *Also see,* ***"Risk Factor - Our Company is not in strict compliance with the Corporate Social Responsibility as required under the provision of Companies Act 2013"*** on page 59.

Competition

We operate in a competitive atmosphere where we face competition from other construction companies operating in union territories of Jammu & Kashmir and Ladakh. Our competition depends on various factors, such as the type of project, total contract value, potential margins, the complexity, location of the projects and risks relating to revenue generation. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price often is the deciding factor in most tender awards. Some of our competitors may have greater resources than those available to us. We believe that we majorly face competition from other construction companies which operate in the same geographies as us such as SGF Infra Private Limited, MCCS Infra Private Limited, Jehlum Construction Co New Jehlum Construction Co and other entities operating in the region. (*Source: D&B Report*). For further details, see "***Industry Overview"*** on page 115 and "***Risk Factors – We operate in the construction industry where there are low entry barriers and is highly competitive. Our failure to successfully compete may adversely affect our business, financial condition, results of operations and prospects***" on page 47.

Human Resources

As on September 15, 2023, we had 293 full-time employees comprising of skilled and on-site workers engaged in various projects. Following is a department wise employee break up of our employees

Particulars	No. of Employees
Top Management	11
Finance and Accounts team	17
Engineering & Designing team	23
Procurement team	13
Quality Management team	08
Tendering team	02
Admin	01
Site work team	111
General staff	107

We also employ contractual labour, which provides us with readily available labours as per the requirements. We hire contract laborers depending on various factors like the location, size, duration, etc. and have several contractors providing skilled and unskilled labour at competitive prices.

Intellectual Property

As on date of this Draft Red Herring Prospectus, our Company does have any registered trademark in its name. However, our Company has made application for registration of our Trademark with the Registrar of Trademarks under the Trademarks Act. We set out below the details of such trademark:

Particulars of the Mark	Application No.	Class	Date of Application
	9307260	37	September 28, 2023

Properties

As on the date of this Draft Red Herring Prospectus, our Company has taken on lease certain properties from related parties or third parties, the details of which have been provided below:

Primary Purpose	Location	Owned/Rented
Registered Office	Sector -3, Near BJP Office, Trikuta Nagar, Jammu-180012	Rented
Branch Office	Ground floor (consisting of 4 rooms, Lobby, Drawing Room and Dining room) of Hotel Hermut Hut, Shanam Road, Leh-194101	Rented

Following are the details of other immovable properties of the Company

No.	Description of the property	Description of the property	Owned/Leased	Usage
1	Land admeasuring 8 kanal in khasra No 358, Khewat no 48, and Khatra no 1324 Village Lamberi, Tehsil Nowshera, Jammu	Land	Owned	Investment and providing collateral security to the bank
2	781.56 Sq.Ft Hall no 409 (A-2),at Bahu Plaza Complex, Jammu	Commercial Space*	Long term Lease	Investment and providing collateral security to the bank
3	3049.17 Sq.Ft.Plot no. 23, Sector No. 1-A, Chaani Himmat, Jammu	Building	Owned	Investment and providing collateral security to the bank
4	20 kanal in khasra No 792, Khewat no 470 and Khatra No 80 Village Ban, Tehsil: Nagrota, Dist Jammu	Land	Owned	Investment and providing collateral security to the bank

Sanjay Mehta on behalf of the Company had participated in a bid for obtaining the above-mentioned property on long term lease basis of 40 years by Jammu Development Authority and was successfully allotted. However, due to dispute regarding actual area of said property advertised vis-à-vis allotted, a writ petition has been filed by Sanjay Mehta against Jammu Development Authority. For details, see* "*Outstanding Litigations and Material Developments – Litigation filed by our Promoter***" on page 292.

Note:

The above listed immovable properties are held in the name of our Promoter and Director, Sanjay Mehta but on behalf of the Company. This is due to the fact that the then prevailing special status of the then State of Jammu & Kashmir under erstwhile Article 370 of the Indian Constitution restricted all companies, incorporated under Indian Companies Act 1956 or Companies Act 2013, to purchase or hold any immovable property in its name and therefore as a fall out, it was customary for the directors of such company to purchased immovable property in their own name and contribute the same to the assets of the company. Accordingly, under an internal arrangement, between our Promoter and Director, Sanjay Mehta and our Company, the above listed properties are held in the name of Sanjay Mehta but the properties *are being shown in the Company's books of account as assets of our Company. For details, see* ***"Restated Financial Statement – Investment Property"*** *on page 249. Following the abrogation of Article 370 and Article 35-A of the Constitution of India in year 2019, companies in the Union Territory of Jammu and Kashmir are now permitted to possess immovable property under their own name. Nevertheless, companies based in J&K continues to encounter challenges in acquiring and registering such properties due to factors beyond their control such as administrative complications, delays in the registration process and other local or regional considerations. Furthermore, due to the ongoing writ petition bearing number WP (C) 1013/2019, which was filed before the Hon'ble Supreme Court challenging the abrogation of Article 370 of the Indian constitution and other connected matter (which is presently sub-judice), there is certain apprehension regarding the validity of abrogation of Article 370 and future socio-political condition in the Union Territory of Jammu and Kashmir. In case Article 370 and 35A of the Indian Constitution are restored by Hon'ble Supreme Court, our Company may be subject to the then prevailing restriction on holding immovable properties in its name. Therefore, once the final verdict of Hon'ble Supreme Court is announced and if the same holds the validity of abrogation of the Article 370 of the Indian Constitution, our Company will be required to register the above-mentioned immovable properties in its own name. For details, see "* ***Risk Factor - We do not own certain premises used by our Company. Disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would adversely impact our operations and, consequently, our business"*** on page 53.

KEY REGULATIONS AND POLICIES IN INDIA

We are 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. We undertake construction works both as an EPC contractor and on an item rate basis for infrastructure projects. Our Company also undertakes sub-contracting assignments of infrastructure construction projects. We 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 we, thus, believe that we have developed the expertise and know-how to undertake infrastructure construction projects in difficult terrains.

The following description is a summary of certain key regulations in India which are applicable to the business and operations of our Company. The information detailed in this section has been obtained from publications available in public domain. The description of laws and regulations set forth below may not be exhaustive and is only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The information in this section is based on the current provisions of applicable laws in India that are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

For details of regulatory approvals obtained by us in compliance with the *applicable regulations, see* "***Government and Other Statutory Approvals***" *beginning on page 295.*

Regulations governing our Business

1. National Highways Act, 1956

The Central Government is responsible for the development and maintenance of 'National Highways' and may delegate any function relating to development of 'National Highways' to the relevant state government in whose jurisdiction the 'National Highway' falls, or to any officer or authority subordinate to the central or the concerned state government.

The Central Government may also enter into an agreement with any person (being, either an individual, a partnership firm, a company, a joint venture, a consortium or any other form of legal entity, Indian or foreign, capable of financing from own resources or funds raised from financial institutions, banks or open market) in relation to the development and maintenance of the whole or any part of a 'National Highway'. Such an agreement may provide for designing and building a project and operating and maintaining it, collecting fees from users during an agreed period, which period together with construction period is usually referred to as the 'concession period'. Upon expiry of the 'concession period', the right of the person to collect fees and his obligation to operate and maintain the project ceases and the facility stands transferred to the central government.

Under the National Highways Act, 1956 (the "**NH Act**"), the Central Government is vested with the power to declare a highway as a national highway and also to acquire land for this purpose. The Central Government may, by notification, declare its intention to acquire any land when it is satisfied that for a public purpose such land is required to be acquired for the building, maintenance, management or operation of a national highway or part thereof. The NH Act prescribes the procedure for such land acquisition which inter alia includes entering and inspecting such land, hearing of objections, declaration of acquisition and the mode of taking possession. The NH Act also provides for payment of compensation to owners and any other person whose right of enjoyment in that land has been affected.

2. National Highways Authority of India Act, 1988

The National Highways Authority of India Act, 1988 (the "**NHAI Act**") provides for the constitution of an authority for the development, maintenance and management of National Highways. Pursuant to the same, the National Highways Authority of India ("**NHAI**"), was constituted as an autonomous body in 1989 and operationalised in 1995. Under the NHAI Act, Central Government carries out development and maintenance of the national highways system, through NHAI. The NHAI has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act.

The NHAI Act prescribes a limit in relation to the value of the contracts that may be entered into by NHAI. However, the NHAI may enter into contracts exceeding the value so specified, on obtaining prior approval of the Central Government. NHAI Act provides that the contracts for acquisition, sale or lease of immovable property on behalf of the NHAI cannot exceed a term of 30 years unless previously approved by the Central Government.

3. National Highways Development Project

The Government of India, under the Central Road Fund Act, 2000 created a dedicated fund for NHDP (the "**Fund**"). Certain sources for financing of NHDP are through securitization of cess as well as involving the private sector and encouraging Public Private Partnership (PPP). The NHDP is also being financed through long-term external loans from the World Bank, the ADB and the JBIC as well as through tolling of roads.

Private Participation in NHDP

In an effort to attract private sector participation in the NHDP, the NHAI has formulated model concession agreements where a private entity (the "**Concessionaire**") is awarded a concession to build, operate and collect toll on a road for a specified period of time, which is usually up to 30 years.

The bidding for the projects takes place in two stages as per the process provided below:

- in the pre-qualification stage, NHAI selects certain bidders on the basis of technical and financial expertise, prior experience in implementing similar projects and previous track record; and
- in the second stage, NHAI invites commercial bids from the pre-qualified bidders on the basis of which the right to develop the project is awarded.

In a BOT project, the Concessionaire meets the up-front cost and expenditure on annual maintenance and recovers the entire cost along with the interest from toll collections during the concession period. To increase the viability of the projects, a capital grant is provided by the NHAI / GoI on a case to case basis. The Concessionaire at the end of the concession period transfers the road back to the Government. The Concessionaire's investment in the road is recovered directly through user fees by way of tolls.

In annuity projects, the private entity is required to meet the entire upfront cost (no grant is paid by NHAI / GoI) and the expenditure on annual maintenance. The Concessionaire recovers the entire investment and predetermined return on investments through annuity payments by NHAI / GoI.

In hybrid annuity projects, 40% of the total project cost is to be funded by the government and the remaining by the Concessionaire.

The NHAI also forms SPVs for funding road projects. This method of private participation involves very little cash support from the NHAI in the form of equity / debt. Most of the funds come from ports/financial institutions/beneficiary organisations in the form of equity / debt. The amount spent on developments of roads/highways is to be recovered in the prescribed concession period by way of collection of toll fee by the SPV. Tax incentives which are being provided to the private entity are eligible for 100% exemption for any consecutive 10 years out of the first 20 years after completion of a project. The Government has also allowed duty free import of specified modern high capacity equipment for highway construction.

4. Control of National Highways (Land and Traffic) Act, 2002

The Control of National Highways (Land and Traffic) Act, 2002 (the "**Control of NH Act**") provides for control of land within national highways, right of way and traffic moving on national highways and also for removal of unauthorised occupation thereon. In accordance with the provisions of the Control of NH Act, the Central Government has established Highway Administrations. Under the Control of NH Act, all land that forms part of a highway which vests in the Central Government, or that which does not already vest in the Central Government but has been acquired for the purpose of highways shall be deemed to be the property of the Central Government. The Control of NH Act prohibits any person from occupying any highway land or discharging any material through on such land without the permission of the Highway Administration. The Control of NH Act permits the grant of lease and license for use of highway land for temporary use.

5. National Highways Fee (Determination of Rates and Collection) Rules, 2008

The National Highways Fee (Determination of Rates and Collection) Rules, 2008 (the "NH Fee Rules") regulate the collection of fee for the use of a national highway. Pursuant to the NH Fee Rules, Central Government may, by a notification, levy fee for use of any section of a national highway, permanent bridge, bypass or tunnel forming part of a national highway, as the case may be. However, the Central Government may, by notification, exempt any section of a national highway, permanent bridge, bypass or tunnel constructed through a public funded project from levy of fees. The NH Fee Rules do not apply to the concession agreements executed or bids invited prior to the publication of such rules i.e., December 5, 2008. The collection of fee in case of a public funded project shall commence within 45 days from the date of completion of the project. In case of a private investment project, the collection of such fee shall be made in accordance with the terms of the agreement entered into by the concessionaire. The NH Fee Rules further provide for the base rate of fees applicable for the use of a section of the national highway, permanent bridge, bypass or tunnel, as the case may be, for different categories of vehicles.

6. The Explosives Act, 1884 (the "Explosives Act")

The Explosives Act regulates the manufacturing, use, possession, sale, transport, export and import of explosives, defined under the Explosives Act as any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect. As per the Explosives Act, the Central Government may, for any part of India, make rules consistent with the Explosives Act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use, sale, transport, import and export of explosives, or any specified class of explosives. Penalty provisions including imprisonment, have been prescribed for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the rules made under the Explosives Act.

7. Other legislations relevant to the road sector

In addition to the above, there are also certain other legislations that are relevant to the road sector which include the Road Transport Corporation Act, 1950, National Highways Rules, 1957, National Highways (Temporary Bridges) Rules, 1964, National Highways (Fees for the Use of National Highways Section and Permanent Bridge Public Funded Project) Rules, 1997, National Highways (Rate of Fee) Rules, 1997, National Highways Tribunal (Procedure) Rules, 2003, Central Road and Infrastructure Act, 2000, Central Road Fund (State Roads) Rules 2007 and Green Highways (Plantation, Transplantation, Beautification & Maintenance) Policy, 2015.

A. Intellectual Property Laws

1. The Trade Marks Act, 1999 (the "Trade Marks Act")

The Trade Marks Act provides for the application, registration and protection of trademarks in India. The Trade Marks Act provides exclusive rights to the use of trademarks such as brands, labels and headings that have been registered and to provide relief in case of infringement of such marks. The Trade Marks Act prohibits any registration of deceptively similar trademarks. The Trade Marks Act also provides for penalties for infringement and for falsifying and falsely applying trademarks and using them to cause confusion among the public.

Our Company has obtained and applied for trademark registrations for the various brands and logos used in our business which are subject to the provisions of the Trade Marks Act, 1999.

2. *The Copyright Act, 1957 (the "Copyright Act")*

The Copyright Act provides for registration of copyrights, assignment and licensing of copyrights, and protection of copyrights, including remedies for infringement. The Copyright Act protects original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. In the event of infringement of a copyright, the owner of the copyright is entitled to both civil remedies, including damages, accounts and injunction and delivery of infringing copies to the copyright owner, and criminal remedies, including imprisonment and imposition of fines and seizure of infringing copies. Copyright registration is not mandatory under the Copyright Act for acquiring or enforcing a copyright, however, such registration creates a presumption favouring ownership of the copyright by the registered owner.

B. General Corporate Compliance

1. The Companies Act, 2013

The consolidation and amendment in the law relating to the Companies Act, 1956 made way for the enactment of the Companies Act, 2013. The Companies Act, 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post-incorporation. The conversion of the private company into a public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, the appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to bank companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of a public company and by two or more persons in case of a private company. A company can even be formed by one person i.e., a One-Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act. Further, The Companies Act, 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified.

Further, Schedule V (read with Sections 196 and 197), Part I lay down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the director's payable by the companies is under Part II of the said schedule.

Further, The Companies Amendment Act, 2015 is passed on May 25, 2015, also The Companies Amendment Act, 2017 is passed on January 3, 2018. The Companies Amendment Act, 2017 includes major amendments in the definition, financial statement, and corporate social responsibility, disclosure under boards report, general meeting, and disclosure in the Red Herring prospectus.

C. Other Relevant Legislations

1. Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in different states, commercial establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops and commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

2. The Environment Protection Act, 1986 (the "Environment Act")

The Environment Act has been enacted for the protection and improvement of the environment. The Environment Act empowers the GoI to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The GoI may make rules for regulating environmental pollution.

3. The Water (Prevention and Control of Pollution) Act, 1974 (Water Act)

The Water Act aims to prevent and control water pollution by factories and manufacturing units and to maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, using of any new or altered outlet for the discharge of sewage or causing new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

4. The Air (Prevention and Control of Pollution) Act, 1981 (Air Act)

The Air (Prevention and Control of Pollution) Act, 1981 **(Air Act)** provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of 4 months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

5. Foreign Investment Regulations

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Rules**") and the consolidated FDI policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion ("**FDI Policy**"), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulates mode of payment and remittance of sale proceeds, among others. The FDI Policy and the FEMA Rules prescribe inter alia the method of calculation of total foreign investment (i.e., direct foreign investment and indirect foreign investment) in an Indian company.

6. Foreign Trade (Development and Regulation) Act, 1992 ("FTDRA"), the Foreign Trade (Regulation) Rules, 1993 ("FTRR") and the Foreign Trade Policy 2015-2020 ("Foreign Trade Policy")

The FTDRA provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTDRA empowers the Central Government to formulate and amend the foreign trade policy. The FTDRA prohibits any person from making an import or export except under an Importer-exporter Code Number ("IEC") granted by the director general or any other authorised person in accordance with the specified procedure. The IEC may be suspended or cancelled if the person who has been granted such IEC contravenes, amongst others, any of the provisions of the FTDRA, or any rules or orders made thereunder, or the foreign policy or any other law pertaining to central excise or customs or foreign exchange. The FTDRA also prescribes the imposition of penalties on any person violating its provisions. The FTRR prescribes the procedure to make an application for grant of a license to import or export goods in accordance with the foreign trade policy, the conditions of such license, and the grounds for refusal of a license. The FTDRA empowers the Central Government to, from time to time, formulate and announce the foreign trade policy. The Foreign Trade Policy came into effect in 2017 and requires all importers and exporters to obtain an IEC. Further, pursuant to the policy, the Director General of Foreign Trade may impose prohibitions or restrictions on the import or export of certain goods, for reasons including the protection of public morals, protection of human, animal or plant life or health, and the conservation of national resources. The Foreign Trade Policy also prescribes restrictions on imports or exports in relation to specific countries, organisations, groups, individuals or products. The Foreign Trade Policy also provides for various schemes, including the export promotions capital goods scheme and duty exemption/remission schemes. India's current Foreign Trade

Policy (2015-20) (as extended until September 30, 2022 and thereafter, extended till March 31, 2023) envisages helping exporters leverage benefits of GST, closely monitoring export performances, increasing ease of trading across borders, increasing realization from India's agriculture-based exports and promoting exports from MSMEs and labour-intensive sectors.

7. Municipality Laws

State governments are empowered to endow municipalities with such powers and authority as may be necessary to enable them to perform functions in relation to permitting the carrying on of trade and operations. Accordingly, State governments have enacted laws authorizing municipalities to regulate use of premises, including regulations for issuance of a trade license to operate, along with prescribing penalties for non-compliance.

8. The Consumer Protection Act, 1986 (the "COPRA")

The COPRA provides for the protection of the interests of consumers and the settlement of consumer disputes. The COPRA sets out a mechanism for consumers to file complaints against, *inter alia*, service providers in cases of deficiencies in services, unfair or restrictive trade practices and excessive pricing. The terms "defect" and "deficiency" are broadly defined and cover any kind of fault, imperfection or shortcoming in the quality, quantity, potency, purity or standard. A three-tier consumer grievance redressal mechanism has been implemented pursuant to the COPRA at the national, state and district levels. If the allegations specified in a complaint about the services provided are proved, the service provider can be directed to *inter alia* remove the deficiencies in the services in question, return to the complainant the charges paid by the complainant and pay compensation, including punitive damages, for any loss or injury suffered by the consumer. Non-compliance with the orders of the authorities may attract criminal penalties in the form of fines and/or imprisonment.

9. Taxation Laws

The tax related laws that are applicable to our Company include the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017 and the relevant state legislations for goods and services tax.

10. Laws Relating to Employment

Our operations are subject to compliance with certain additional labour and employment laws in India. These include, but are not limited to, the following:

- the Child Labour (Protection and Prohibition) Act, 1986
- the Contract Labour (Regulation & Abolition) Act, 1970
- the Employees Compensation Act, 1923
- the Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- the Employees' State Insurance Act, 1948
- the Equal Remuneration Act, 1976
- the Maternity Benefit Act, 1961
- the Minimum Wages Act, 1948
- the Payment of Bonus Act, 1965
- the Payment of Gratuity Act, 1972
- the Payment of Wages Act, 1936
- the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

The Code on Wages, 2019

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. Through its notification dated

December 18, 2020, the GoI brought into force sections 42(1), 42(2), 42(3), 42(10), 42(11), 67(ii)(s), 67(ii)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the GoI) and 8 of the Minimum Wages Act, 1986)) of the Code on Wages, 2019. The remaining provisions of this Code will be brought into force on a date to be notified by the GoI.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this Code will be brought into force on a date to be notified by the Central Government. The GoI has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this Code will be brought into force on a date to be notified by the GoI.

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act,1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this Code will be brought into force on a date to be notified by the GoI. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganised workers, gig workers and platform workers.

11. The Information Technology Act, 2000 (the "IT Act")

The IT Act creates liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third party information liability. The IT Act also provides for civil and criminal liability including compensation, fines and imprisonment for various computer related offences. These include offences relating to unauthorized access to computer systems, damaging such systems or modifying their contents without authorization, unauthorized disclosure of confidential information and committing fraudulent acts through computers.

In April 2011, the Department of Information Technology under the then Ministry of Communications and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (the "**IT Personal Data Protection Rules**") under Section 43A of the IT Act and notified the Information Technology (Intermediaries Guidelines) Rules, 2011 and Information Technology (Reasonable security practice and procedure and sensitive personal data or information) Rules, 20211 (the "**IT Intermediaries Rules**") under Section 79(2) of the IT Act. The IT Personal Data Protection Rules prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data. The IT Intermediaries Rules require persons receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the Intermediaries Rules and to disable such information after obtaining knowledge of it.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

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 conversion from private to public company and a fresh certificate of incorporation dated August 11, 2023 issued by the Registrar of Companies, Jammu.

Changes in the Registered Office

Except as disclosed below, there has been no change in the registered office of our Company since the date of incorporation.

Date of change	Details of change in the registered office	Reasons for change
October 15, 2019	Change within local limits of the city from "1A, Hillview, Near Higher Secondary School, Bahu Fort, Jammu – 180 006, Jammu and Kashmir, India" to "Sector 3, Near BJP Head Office, Trikuta Nagar, Jammu – 180 012, Jammu and Kashmir, India"	Operational Convenience

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. *To carry on the business as owners, builders, colonisers, developers, promoters, proprietors, contractors & maintainers of residential, commercial and industrial building, colonies, mills and factory's buildings, workshop's building, cinema's houses, real estate and deal in all kinds of immovable properties whether belonging to the Company or otherwise.*

2. *To undertake and to carry on the business of purchasing, selling and developing any type of land or real estate and plot whether residential, commercial, industrial, rural or urban that may belong to company or to any other person of whatever nature and to deal in land or immovable properties of any description or nature on commission basis and for that purpose to make agreements to sell the land of the company or of anybody else.*

3. *To erect and construct houses, buildings or civil constructional works of every description on any land of the company or upon any other lands or immovable property and to purchase, take lease, or otherwise own, hold, construct, erect, alter, develop, colonies, decorate, furnish, pull, down, improve, repair, renovate, build, plan, layout, transfer, charge, assign, let out, sublet all type of lands, plots, buildings, hereditaments, bungalows, quarters, offices, flats, chawls, warehouses, godowns, shops, stalls, markets, hotels and restaurant's building. banquet halls, houses, structures, construction, tenaments, roads, bridges, land real estate, estates and immovable properties whether freehold or lease hold of any nature and description and where ever situated for consideration for a gross sum or rent or partly in one or in other or any consideration.*

4. *To act as an agent for purchasing, selling and letting on rent, land and houses whether multistoried, commercial and/or residential buildings on commission basis.*

5. *To acquire by purchasing land for the construction of multistoried buildings and to license the flats therein on suitable terms and conditions.*

The main objects clause as contained in the Memorandum of Association enable our Company to undertake its existing activities.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association for the past ten years of our Company till the date of this Draft Red Herring Prospectus.

Date of Shareholder's resolution/ Effective date	Particulars
July 20, 2011	*Addition of sub-clause 36, 37, and 38 to the other objects under Clause III(C) in the Memorandum of Association were inserted as follows:* *"36. To manufacture, develop, improve, maintain, sale, purchase, import, export, service, exchange and otherwise deal in all kinds of computers and their inputs, computer components and systems, computer hardware's and software's, assemblies and subassemblies, accessories and related equipment's in India and abroad.* *37. To carry out in India or elsewhere the business of (supply, installation, design if required, testing, commissioning, AMC support etc.) "Systems integration" in high end communications, IT and Office Automation involving communication networking, Network Management, Routers, WAN and LAN, Radio and wireless communication, Wi-Fi, VSAT and SAT, security and surveillance, Protection (Earthing and Power), UPS, Audio/Video logging and monitoring, GPS and GIS based solutions, Power solutions, etc.* *38. To carry out in India or elsewhere the business of prospecting, exploring, operating, and working on mines, quarries, and to win, set, crush, smelt, manufacture, process, excavate, dig, break, acquire, develop, exercise, turn to account, survey, produce, prepare, remove, undertake, barter, convert, finish, load, unload, handle, transport, buy sell, import, export, supply, and to act as agent, broker, adatia, stockiest, distributor, consultant, contractor, manager, operator or otherwise to deal in all sorts of present and future ores, minerals, deposits, goods, substances and materials, including sands, stones and soils, chalk, clay, china clay, betonies, broils, calcite and coal, lignite, rockphoscate, brimstone, brine, bauxite, limestone, precious and other stones, gold, silver, diamonds, iron, aluminum, titanium, vanadium, mica, apalite, chrome, copper, gypsum, rutile, sulphate, tin, zinc, zircon, tungsten, silicon, brass and other allied materials, by products, mixtures, blends, residues and substances and to do all incidental acts and things necessary for the attainment of the objects under these presents."*
March 28, 2013	Increase of the authorised share capital of our Company from ₹20,00,000 (rupees two lakhs) consisting of 20,000 (twenty thousand) Equity Shares of ₹100 each to ₹30,00,000 (rupees thirty lakhs) consisting of 30,000 (thirty thousand) Equity Shares of ₹100 each.
April 25, 2014	Sub-clause 2 and 3 of Clause III(A) of the Main Objects Clause in the Memorandum of Association were amended as follows: "*2. To undertake and to carry on the business of purchasing, selling and developing and type of land or real estate and plot whether residential, commercial, industrial, rural or urban or agriculture land, farms or orchards that may belong to company or to any other person of whatever nature and to deal in land or immovable properties of any description or nature on commission basis and for that purpose to make agreements to sell the land of the company or of anybody else.*

Date of Shareholder's resolution/ Effective date	Particulars
	3. To erect and construct houses, buildings or civil constructional works of every description on any land of the company or upon any other lands or immovable property and to purchase, take lease, or otherwise own, hold, construct, erect, alter, develop, food processing units, cold storages and to carry on business thereon and to develop colonies, decorate, furnish, pull, down, improve, repair, renovate, build, plan, layout, transfer, charge, assign, letout, sublet all type of lands, plots, building hereditaments, bungalows, quarters, offices, flats, chawls, warehouse, godowns, shops, stalls, markets, hotels and restaurant's building, banquet halls, houses, structures, construction, tenements, roads, bridges, land real estate, estates and immovable properties whether freehold or lease hold of any nature and description and where ever situated for consideration for a gross sum or rent or partly in one or in other or any consideration."
November 18, 2016	Increase of the authorised share capital of our Company from ₹30,00,000 (rupees thirty lakhs) consisting of 30,000 (thirty thousand) Equity Shares of ₹100 each to ₹1,55,00,000 (rupees one crore and fifty five lakhs) consisting of 1,55,000 (one lakh and fifty-five thousand) Equity Shares of ₹100 each.
March 2, 2023	The face value of the Equity Shares of our Company were split pursuant to which the Authorized Share Capital of the Company has been changed from ₹1,55,00,000 (rupees one crore and fifty five lakhs) consisting of 1,55,000 (one lakh and fifty-five thousand) Equity Shares of ₹100 each into ₹1,55,00,000 (rupees one crore and fifty five lakhs) consisting 15,50,000 (fifteen lakhs and fifty thousand) Equity Shares of ₹10 each.
March 2, 2023	Increase of the authorised share capital of our Company from ₹1,55,00,000 (rupees one crore and fifty five lakhs) consisting of 15,50,000 (fifteen lakhs and fifty thousand) Equity Shares of ₹10 each to ₹25,00,00,000 (rupees twenty-five crores) consisting of 2,50,00,000 (two crores and fifty lakh) Equity Shares of ₹10 each.
June 30, 2023	Clause I of our Memorandum of Association was amended to reflect the change of name of our Company from 'SRM Contractors Private Limited' to 'SRM Contractors Limited', pursuant to conversion of our Company from private limited to public limited.

Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

Calendar Year	Events
September 2008	Incorporated as SRM Contractors Private Limited
2010-11	Awarded Road Project i.e. Improvement /upgradtion of Mandi Phagla Buffiaz road from km 6th to km15th on Mandi side and km 6th to km 16th on Buffliaz and construction of road (new)from km 16th to 25th on Mandi side and km17th to km 37th on Buffliaz side by way of rathwork cutting, X-drainage works, protection works, pavement etc (under CRF) on sub-contract basis, having a contract value of ₹ 3,241.14 Lakhs (*as on date the Project is completed*)
2013-14	Successfully completed (through our the then JV) a Road Project i.e. Widening of Sakhi-Maidan-Kalai road in District Poonch, by ERA Jammu, having a contract value of ₹773.88 lakhs
2014-15	Successfully completed a Road Project i.e. Construction of balance work of approach road from Kanthan to Dugga village (length 28km) on the Katra-Dharam section of USBRL project, District Reasi in J&K, by KRCL, having a contract value of ₹1,728 lakhs
	Our Company established Loran Valley Power Project Private Limited, a Subsidiary of our Company wherein our Company held 51% of the shareholding
2015-16	Successfully completed a Road Project i.e. Providing and laying 25mm thick

Calendar Year	Events
	SBDC including 50mm thick Bituminous Macadam on Siot Kalakote road km 18th to 22nd by, PWD Jammu.
2016-17	Successfully completed (through our then then JV) a Road Project i.e. Construction of balance work of approach road from Kanthan to Dugga village (length 28km) on the Katra-Dharam section of USBRL project, District Reasi in J&K, by KRCL having a contract value of ₹2,650 lakhs.
2017-18	Successfully completed a Road project i.e. Construction of road from Sangrampur to Gajansoo km 5th to km 14th by way of providing /lying of RBM filling , shingle Gr-11, 75mm thick wet mix macadam with paver finish 150mm thick in two layers of 75mmeach,50mm thick BM 25mm thick SDBC,12NOS 1M span RCC culvert, 16nos. 1.5m span RCC Culvert, 5no. 3m span RCC Culvert , 1nos 0.90m dia HP culvert , 13 nos. 0.60m dia HP culverts, 7nos. 0.45m dia HP Culvert, 3423 m pucca drain, 300m edge walls, 2nos vented causeways of 13.50m and 58m length each and 1no. PSC girder double lane bridge of 40m span along with approaches by PWD R&B Jammu having a contract value of ₹2,469.60 lakh.
2018-19	Our Company entered in Joint Bidding Agreement with M/s ECI Engineering & Construction Co. Ltd.
	Successfully completed a Road Project i.e. restoration of road by way of clearance of consolidated slips, surface boulder, side drain, culverts including reconstruction of damaged edge walls and R/wall on batote Kishtwar (NH-244) from 80.0000km to123.600 km division Doda in the state of Jammu & Kashmir by NHIDCL, having a contract value of ₹2,525.56 lakhs.
	Our Company entered in Joint Venture Memorandum of Understanding Agreement with M/s Sai Engineering Foundation.
	Awarded (through our the then JV) Tunnel Project i.e. Construction of balance lining work of wider section of Tunnel T12 Adit lining of tunnel T6, Cut & Cover between tunnel T9 and T10 including miscellaneous works on Katra Dharam section of Udhampur-Srinagar-Baramulla new BG Railway Line Project, J&K State from KRCK, having a contract value of ₹4,493.13 lakhs (*as on date the Project is completed*)
2019-20	Our Company entered in Joint Venture Memorandum of Understanding Agreement with M/s Kapahi Construction Co.
	Our Company entered in Joint Venture Agreement with M/s Rajinder Infrastructure Private Limited.
	Our Company changed its registered office from "1A, Hillview, Near Higher Secondary School, Bahu Fort, Jammu – 180006, Jammu and Kashmir, India" to "Sector 3, Near BJP Head Office, Trikuta Nagar, Jammu – 180012, Jammu and Kashmir, India".
	Awarded (through of JV) Slope Stabilization work i.e. Designing and construction of Reinforced Earth Embankments at Bridge no. 40, 41 & 42 on Katra-Dharam section of Udhampur-Srinagar-Baramulla Rail link Project in the state of Jammu & Kashmir from KRCL having a contract value of ₹9,643.28 lakhs (*as on date the Project is completed*)
	Our Company entered in two Joint Venture Agreement with M/s Rajinder Infrastructure Private Limited.
2020-21	Successfully completed Tunnel Project i.e. Construction of wider section of Tunnel for a length of 85m (appox) from km 42/977.50 to 43/062.50 in Tunnel no. 5 (Portal-1) and ancillary work on the Katra-Dharam Section of the Udhampur-Srinagar-Baramulla New BG Railway Line Project, Jammu & Kashmir by KRCL, having a contract value of ₹3,226.18 Lakhs
2021-22	Our Company entered in Joint Bidding Agreement with M/s Rajinder Infrastructure Private Limited.
	Awarded a Tunnel Project i.e. Construction Of Cut and Cover Tunnel Having 520 Mtrs Length Between Km 51+950 to Km 52+500 And 400 Mtrs Length between km 52+550 To Km 52+950 including Minor Bridge on D-S-DBO Road Under Project Himank in Ladakh (Union Territory) On EPC Mode (Net Tunnel Length

Calendar Year	Events
	920 Mtrs) by BRO, having a contract value of ₹9,873.40
	Awarded (though of JV) a Road Project i.e. Construction and Upgradation to NHSL Specification from Km 29+000 (N-32°49'14.26" & E- 78°44'53.76") to Km 60+652 (Salsa La Pass (N- 32°40'23.43" & E-78°33'44.38") (Design Chainage Km 29+000 to Km 54+900) of Road Hanle-Chumar Under Project Himank in Ladakh (Union Territory) on EPC Mode (Length 25.900 Km) by BRO, having a contract value of ₹15,444.50
2022-23	Awarded (through or JV) a Road Project i.e. Construction Of Realignment between Pandrass- Pashkyum (Net Length-27.10 Km) on Road Zozila-Kargil-Leh (NH-1) To 2 Lane Specifications I.E. Drass Realignment (9.30 Km), Kharboo Realignment (6.30 Km) & Kargil Alignment (11.50 Km) under Project Vijayak (Bro) in the Union Territory. of Ladakh on EPC Mode by BRO having a contract value of ₹20,568.30
	Successfully completed a Tunnel Project i.e. construction of Tunnel T-15, Part Tunnel T-14 including Bridge No. 61 (between km 73.785 to 86.848 km approx) on Katra-Banihal section of Udhampur-Srinagar-Baramulla New BG Railway Line Project (Package T-15) having a contract value of ₹16,876 Lakhs.
	Successfully completed a Rood Project i.e. Rehabilitation and up-gradation to 2 lane with paved shoulder from design km 74.350 to km 90.150 (package IV) under 13 TF on Akhnoor - Poonch road (NH- 144A) in the state of Jammu & Kashmir under BRO on EPC mode having a contract value of ₹6,432.01lakhs.
	Our Company acquired 99% stake in SP Mangal Murti Enterprises Private Limited

For details of our completed projects and ongoing projects, see "***Our Business – Order Book***" and "***Our Business – Completed Projects***" on page 173 and 172.

Awards and Accreditations

As of the date of this Draft Red Herring Prospectus, our Company has not received any awards or accreditations.

Significant financial and strategic partnerships

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partnerships.

Time/cost overrun

There has been no time or cost over-run in respect of our business operations.

Capacity/facility creation, location of plants

Since our Company is engaged in EPC business, we do not have any product manufacturing facilities. However, for execution of our EPC projects, we have in-house facilities with capacities as set out herein:

Plants and Equipment	Quantity	Capacity
Batching Plant	3	30 Cubic Meters/Hour
Hot Mix Plant	2	60-90 Tonnes Per Hr
Stone Crusher	2	50-80 Tonnes Per Hr
Ready Mix Concrete plant	2	9 Cubic Meters/Hour
Silent Diesel Generator	10	15 KVA to 500 KVA

These plants and units are temporarily installed at the project locations and are shifted to other locations after completion of work, on need basis. These plants are primarily used for production of intermediate products such as RMC, stone aggregates, etc used in construction activities at our project sites. It reduces our dependency on external suppliers, thereby helping in smooth execution of our projects. These plants are part of our equipment fleet. For details, see "***Our Business – Infrastructure Facility***" on page 183.

Launch of key products or services, entry into new geographies or exit from existing

For details of key services launched by our Company, entry into new geographies or exit from existing markets, see "***Our Business***" beginning on page 162.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

There have been no instances of rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our current borrowings from lenders.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last ten years

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. since its incorporation.

Holding company

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries

Our Company has two (2) Subsidiaries as on the date of this Draft Red Herring Prospectus. Information in relation to our Subsidiaries are set out below:

1. Loran Valley Power Projects Private Limited

Corporate Information

Loran Valley Power Projects Private Limited was incorporated on August 12, 2014, at Registrar of Companies, Jammu. Its registered office is located at 50-B, Tawi Vihar, Siddha Jammu, 180017, India. Its Corporate Identification Number is U40300JK2014PTC004223.

Nature of Business

The company is involved in the business of generating electric power by conventional and non-conventional methods including coal, gas, lignite, oil, bio mass, waste, thermal, solar, hydel, geo hydel, wind and tidal waves and to set up power plants, to carry on, manage, supervise and control the business of transmitting, manufacturing, supplying, generating, distributing and dealing in electricity and all forms of energy and power generated by any source whether nuclear, steam, hydro or tidal, water, wind, solar, hydrocarbon fuel or any other form, kind or description.

Capital Structure

The authorised share capital of Loran Valley Power Projects Private Limited is ₹100,000 divided into 1,000 equity shares of face value of ₹100 each and the issued, subscribed and paid-up share capital of Loran Valley Power Projects Private Limited is ₹100,000 divided into 1,000 equity shares of face value of ₹100 each.

Shareholding Pattern

Name of the shareholder	Number of equity shares (of face value of ₹100 each) held	Percentage of issued, subscribed and paid-up share capital (%)
SRM Contractors Limited	510	51
Masood Ahmed	490	49

Accumulated profits or losses not accounted for by our Company

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Loran Valley Power Projects Private Limited not accounted for by our Company.

2. SP Mangal Murti Enterprises Private Limited

Corporate Information

SP Mangal Murti Enterprises Private Limited was incorporated on March 14, 2023, at Registrar of Companies, Jammu. Its registered office is located at W.No. 68, Greater Kailash, Jammu, Jammu & Kashmir - 180 011. Its Corporate Identification Number is U25999JK2023PTC014318.

Nature of Business

The company is involved in the business of providing construction related solutions in the field of Highways, Tunnels, Bridges, Roads and other matters related to construction, to manufacture, assemble lattice girder and ribs for tunnelling work, anchoring systems for tunnelling and soil stability namely design and manufacturing of soil nails, self-drilling anchors, glued and unglued steel fibre stables.

Capital Structure

The authorised share capital of SP Mangal Murti Enterprises Private Limited is ₹1,500,000 divided into 15,000 equity shares of face value of ₹100 each and the issued, subscribed and paid-up share capital of SP Mangal Murti Enterprises Private Limited is ₹100,000 divided into 1,000 equity shares of face value of ₹100 each.

Shareholding Pattern

Name of the shareholder	Number of equity shares (of face value of ₹100 each) held	Percentage of issued, subscribed and paid-up share capital (%)
SRM Contractors Limited	999	99.90
Puneet Pal Singh	1	Negligible

Accumulated profits or losses not accounted for by our Company

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of SP Mangal Murti Enterprises Private Limited not accounted for by our Company.

Joint Venture of our Company

As on the date of this Draft Red Herring Prospectus, the details of our existing project specific Joint Ventures are set out below:

1. ECI Engineers and SRM Projects (JV)

The parties have jointly entered into two Joint Venture Agreements. The details of which are:

i. ECI Engineering and Constructions Co. Ltd and our Company have entered into an agreement dated dated January 27, 2014 for jointly bidding for engineering, procurement and construction of 1,386m Tunnel including ANS Irrigation Canal Rajouri, Jammu & Kashmir, a project by Irrigation and Flood Department, Jammu, Government of Jammu & Kashmir. For further details, please see "***Our Business – Our Joint Ventures***" on page 176 of this Draft Red Herring Prospectus.

Company's Joint Share in the venture

Name of the Partners	Share in the JV
SRM Contractors Limited	70%
ECI Engineering and Constructions Co. Ltd	30%

Nature of the Project

ii. ECI Engineering and Constructions Co. Ltd and our Company have entered into an agreement dated February 12, 2018 for jointly bidding in the project of widening and upgradation to 2 lane with paved shoulder configuration and geometric improvement from km 0.000 to km 16.990 on Chenani-Sudhmahadev section of NH-244 initiated by National Highway Authority of India. For further details, please see "***Our Business – Our Joint Ventures***" on page 176.

Company's Joint Share in the venture

Name of the Partners	Share in the JV
ECI Engineering and Constructions Co. Ltd	80%
SRM Contractors Limited	20%

2. Kapahi SRM Projects (JV)

Nature of the Project

Kapahi Constructions Co. and our Company have entered into an agreement dated January 25, 2019 for the purpose of securing the work advertised by the Northern Railway vide **NIT No. 42-W/DCE/C-1I/JAT/06/2018-19** dated December 24, 2018 details of the works are as under "Construction of 100 units (Type-II=64 Nos-G+3, Type-III=36 Nos-G+2) Phase-1 as per approved design and drawings including other related, ancillary works at Katra in connection with Udhampur-Srinagar-Baramulla-Rail Link Project". For further details, please see "***Our Business – Our Joint Ventures***" on page 176.

Company's Joint Share in the venture

Name of the Partners	Share in the JV
Kapahi Constructions Co.	51%
SRM Contractors Limited	49%

3. SRM-Rajinder Projects (JV)

The parties have jointly entered into four Joint Venture Agreements. The details of which are:

i. Our Company and Rajinder Constructions Private Limited have entered into an agreement dated March 25, 2022, for jointly bidding for the construction and upgradation to NHSL Specification from Km 29+000 to Km 60+652 of Road Hanle Chumar under Project Himank in Ladakh (UT) on EPC mode. For further details, please see "***Our Business – Our Joint Ventures***" on page 176 .

Company's Joint Share in the venture

Name of the Partners	Share in the JV
SRM Contractors Limited	70%
Rajinder Constructions Private Limited	30%

ii. Rajinder Constructions Private Limited and our Company have entered into an agreement dated April 16, 2019 for the purpose of securing work advertised by Konkan Railway Corporation Limited vide NIT No. KR-PD-JK-RE-Br-8-2019 dated March 14, 2019 for design and construction of Reinforce Earth Embarkment at Bridge 40, 41 and 42 on Katra-Dharam Section of Udhampur-Srinagar-Baramulla Rail Link Projects in Jammu and Kashmir. For further details, please see "***Our Business – Our Joint Ventures***" on page 176.

Company's Joint Share in the venture

Name of the Partners	Share in the JV
Rajinder Constructions Private Limited	51%
SRM Contractors Limited	49%

iii. Rajinder Constructions Private Limited and our Company have entered into an agreement dated November 18, 2019, for the purpose of jointly submitting bid and if contract awarded, carrying out the Engineering/and or contract works, in connection with the "Upgradation of Gulati to Shahadra Sharief Road via Gambir Gali" mentioned in Tender Notice No. Revised/Roads/Jammu/03 dated September 30, 2019 of Jhelum and Tawi Flood Recovery Project. For further details, please see "***Our Business – Our Joint Ventures***" on page 176.

Company's Joint Share in the venture

Name of the Partners	Share in the JV
Rajinder Constructions Private Limited	51%
SRM Contractors Limited	49%

iv. Rajinder Constructions Private Limited and our Company have entered into an agreement dated for the purpose of jointly submitting bid and if contract awarded, carrying out the Engineering/and or contract works, in connection with the "Upgradation of Sidhra-Surnisar Road and Tutan Di Khuie to Khada-Madana Road" mentioned in Tender Notice No. Revised/Roads/Jammu/01 dated September 30, 2019 of Jhelum and Tawi Flood Recovery Project. For further details, please see "***Our Business – Our Joint Ventures***" on page 176.

Company's Joint Share in the venture

Name of the Partners	Share in the JV
Rajinder Constructions Private Limited	51%
SRM Contractors Limited	49%

OUR MANAGEMENT

Board of Directors

As on the date of this Draft Red Herring Prospectus, we have 6 directors on our Board, comprising of 1 Managing Director, 1 Whole-time Director, 1 non-executive woman director, and 3 non-executive independent directors. The present composition of our Board of Directors and its committees are in accordance with the Companies Act, 2013, and SEBI Listing Regulations.

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus.

Name, date of birth, designation, address, occupation, term, period of directorship and DIN	Designation	Other Directorships
Sanjay Mehta **Date of birth**: November 21, 1969 **Age (years):** 54 **Address**: H.No. 4 A, Opp. Jain Nagar, Talab Tillo, Jammu 180 002, India **Occupation**: Business **Term**: From August 30, 2023 to August 29, 2028 **Period of directorship**: Since September 4, 2008, till date **DIN**: 02274498	Managing Director	*Indian Companies* • SRM Realties Private Limited • Loran Valley Power Projects Private Limited • Trikuta Power Private Limited • SP Mangal Murti Enterprises Private Limited *Limited Liability Partnership* • Revya Technologies LLP *Foreign Companies* • Nil
Ashley Mehta **Date of birth**: July 19, 1999 **Age (years):** 24 **Address**: H. No. 4 A, Opp. Jain Nagar, Talab Tillo, Jammu - 180 002, India **Occupation**: Service **Term**: Liable to retire by rotation **Period of directorship**: Since April 1, 2018, till date **DIN**: 08068781	Non-executive Director	*Indian Companies* • Nil *Limited Liability Partnership* • Nil *Foreign Companies* • Nil

Name, date of birth, designation, address, occupation, term, period of directorship and DIN	Designation	Other Directorships
Puneet Pal Singh **Date of birth**: December 15, 1997 **Age (years):** 26 **Address**: H.No. 325, Govind Pura, Satwari, Jammu - 180 003, India **Occupation**: Business **Term**: From August 30, 2023 to August 29, 2028 and liable to retire by rotation **Period of directorship**: Since October 1, 2022, till date **DIN**: 09740051	Whole-time Director	*Indian Companies* • SP Mangal Murti Enterprises Private Limited *Limited Liability Partnership* • Nil *Foreign Companies* • Nil
Sanjay Sharma **Date of birth**: July 14, 1979 **Age (years):** 44 **Address**: House no. 18, Ward No. 2, near Girls HSS, Rajouri - 185131, Jammu and Kashmir, India **Occupation**: Professional **Term**: From September 11, 2023 to September 10, 2028. **Period of directorship**: Since September 11, 2023, till date **DIN**: 10313054	Independent Director	*Indian Companies* • Nil *Limited Liability Partnership* • Nil *Foreign Companies* • Nil
Sushil Sharma **Date of birth**: January 8, 1961 **Age (years):** 63 **Address**: 125, Sec 3, Trikuta Nagar, Ward No 53, Jammu – 180 020, Jammu & Kashmir, India **Occupation**: Professional **Term**: From August 30, 2023 to August 29, 2028 **Period of directorship**: Since August 30, 2023, till date	Independent Director	*Indian Companies* • Nil *Limited Liability Partnership* • Nil *Foreign Companies* • Nil

Name, date of birth, designation, address, occupation, term, period of directorship and DIN	Designation	Other Directorships
DIN: 10298719		
Yudhvir Gupta **Date of birth**: April 13, 1972 **Age (years):** 51 **Address**: JMC-1510 Vaid Bhawan, Durga Lane, near Telephone Exchange, Talab Tillo, Jammu – 180 002, Jammu & Kashmir, India **Occupation**: Professional **Term**: From August 2, 2023 to August 1, 2028 **Period of directorship**: Since August 2, 2023, till date **DIN**: 10262882	Independent Director	*Indian Companies* • Nil *Limited Liability Partnership* • Nil *Foreign Companies* • Nil

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others. For details, please see ***"History and Certain Corporate Matters"*** beginning on page 195.

Brief profiles of our Directors

Sanjay Mehta is the Managing Director cum Promoter of our Company. He completed the degree of Bachelor of Medicine and Bachelor of Surgery from the University of Jammu in the year 1994. He also completed his degree of Master of Health Administration from the Tata Institute of Social Sciences in 2001. His prior work experience involves working as an Assistant Surgeon for the J&K Health Services, Jammu from the year 1998 till the year 2000 and then from the year 2004 till the year 2007. He has been associated with our Company since its incorporation in 2008. He has over 14 years of experience in the construction industry, particularly, in the infrastructure sector. His other ventures include SRM Realties Private Limited and Revya Technologies LLP. He oversees the day-to-day activities of our Company.

Ashley Mehta is a Non-executive Director cum Promoter of our Company. She completed the degree of Bachelor of Science in Civil Engineering from Rutgers, The State University of New Jersey, in the year 2023. She is presently employed at Weeks Marine, Inc. as a Field Engineer - Dredging. She has been associated with our Company since the year 2018. She has over 3 years of experience in the business of our Company.

Puneet Pal Singh is a Whole-time Director cum Promoter of our Company. He completed the degree of Bachelor of Technology in Civil Engineering from Jaypee University of Information Technology, Waknaghat, Himachal Pradesh, in the year 2019. He has been associated with our Company since April 1, 2020 as a Project Coordinator – Civil till September 30, 2022. On October 1, 2022, he was appointed on the Board of our Company. He has over 3 years of experience in the construction industry, particularly, in the infrastructure sector. He oversees planning, designing and execution of construction activities at multiple sites of our Company.

Sanjay Sharma is an Independent Director of our Company. He completed the degree of Bachelor of Science from the University of Jammu, in the year 2000. He has also completed the degree of Bachelor of Laws from the

Hemwati Nandan Bahuguna Garhwal University, in the year 2003. He has been enrolled with the Bar Council of Jammu and Kashmir since the year 2006. He has experience in the legal field of nearly 20 years. He was also empanelled on the J&K Bank's panel of lawyers since 2010.

Sushil Sharma is an Independent Director of our Company. He completed the degree of Master of Science from the University of Jammu, in the year 1985. He has also completed the degree of Master of Philosophy in Botany from the University of Jammu, in the year 1985. He was involved in the education sector as an assistant professor of botany in GGM Science College, Jammu since the year 1988 till the year 2010 and has over 3 decades of experience in the education sector. Presently, he is a faculty member, specializing in the subject of Botany for Neet aspirants at ASL Tutorials, Jammu since the year 2008.

Yudhvir Gupta is an Independent Director of our Company. He completed the degree of Bachelor of Commerce from the University of Jammu, in the year 1993. He completed the degree of Bachelor of Laws from the University of Jammu, in the year 1996. He has been enrolled with the Bar Council of Jammu and Kashmir since the year 1999. He established his proprietorship firm, M/s Gupta Accountants, Jammu, in the year 1999 which specializes in taxation and accountancy matters and has over 20 years' experience in the legal field (taxation).

Relationship between Directors and Key Managerial Personnel or Senior Management

Other than Sanjay Mehta and Ashley Mehta, who are father and daughter, none of our Directors are related to each other or to our Key Managerial Personnel or Senior Management.

Terms of appointment of our Executive Directors

Sanjay Mehta, Managing Director

Our Board at their meeting held on August 29, 2023 approved the appointment of Sanjay Mehta as a Managing Director with effect from August 30, 2023. Our Shareholders approved such appointment at their EGM that was held on August 30, 2023.

The following table sets forth the terms of appointment of Sanjay Mehta with effect from August 30, 2023 for a period of 5 years and the agreement dated August 30, 2023 between our Company and Sanjay Mehta:

Sr. No	Particulars	Salary and perquisites
1.	Basic Salary	Managing Director shall be entitled to Current basic salary of Rs.7,00,000 per month up to a maximum of Rs. 10,00,000 per month
2.	Other Benefits	i) Car – Sanjay Mehta shall be entitled to use of car for private and official purposes and all expenses for the maintenance, running and upkeep of such car shall be borne by the Company. ii) Telephone – Sanjay Mehta shall be entitled to the use of a telephone including internet usage (company owned telephone line) at his residence, and Mobile phone, call charges (including payments for local calls and long distance official calls) and all other outgoings (excluding personal long distance calls) in respect thereof being paid by the Company. iii) Club Fees – Reimbursement of annual subscription of only two clubs. iv) Medical Hospitalization Insurance – a suitable medical insurance policy covering hospitalization of Sanjay Mehta and his family members. v) Personal Accident Insurance for Sanjay Mehta and his family members. vi) Health Checkup – The Company shall bear the cost of comprehensive health checkups of Sanjay Mehta and his family members. vii) Rent Free Accommodation at the place of business of Company viii) Leave Travel Allowance once in year for whole family

Puneet Pal Singh, Whole Time Director

Our Board at their meeting held on August 29, 2023 approved the appointment of Puneet Pal Singh as a Whole Time Director with effect from August 30, 2023. Our Shareholders approved such appointment at their EGM that was held on August 30, 2023.

The following table sets forth the terms of appointment of Puneet Pal Singh with effect from August 30, 2023 for a period of 5 years and the agreement dated August 30, 2023 between our Company and Puneet Pal Singh:

Sr. No	Particulars	Salary and perquisites
1.	Basic Salary	Puneet Pal Singh shall be entitled to Current basic salary of Rs.4,00,000 per month up to a maximum of Rs.6,00,000 per month
2.	Other Benefits	i) Car –Puneet Pal Singh shall be entitled to use of car for private and official purposes and all expenses for the maintenance, running and upkeep of such car shall be borne by the Company. ii) Telephone – Mr. Puneet Pal Singh shall be entitled to the use of a telephone including internet usage (company owned telephone line) at his residence, and Mobile phone, call charges (including payments for local calls and long distance official calls) and all other outgoings (excluding personal long distance calls) in respect thereof being paid by the Company. iii) Club Fees – Reimbursement of annual subscription of only two clubs. iv) Medical Hospitalization Insurance – a suitable medical insurance policy covering hospitalization of Mr. Puneet Pal Singh and his family members. v) Personal Accident Insurance for Mr. Puneet Pal Singh and his family members. vi) Health Checkup – The Company shall bear the cost of comprehensive health checkups of Mr. Puneet Pal Singh and his family members. vii) Rent Free Accommodation at the place of business of Company viii) Leave Travel Allowance once in year for whole family

Terms of appointment of our Non-executive Directors (including Independent Directors)

Our Non-executive Directors (including Independent Directors) are not entitled to receive any remuneration or compensation (including sitting fees) from our Company. Our Independent Directors were appointed during the F.Y.2023-24. Accordingly, no remuneration has been paid to our Non-executive Directors (including Independent Directors) in F.Y. 2022-23.

Compensation of Whole-time Director/ Compensation of Managing Directors

The details of the Remuneration paid to our Executive Directors in the F.Y 2022-23 is set out as below:

Name of Director	Designation	Remuneration (Rs. in lakhs)
Sanjay Mehta	Managing Director	60.00
Puneet Pal Singh	Whole Time Director	24.00

Remuneration paid or payable to our Directors from our Subsidiaries

None of the Directors of our Company were paid any remuneration by our Subsidiaries in Fiscal 2023.

Bonus or profit-sharing plan for the Directors

Our Company does not have any bonus or profit-sharing plan for our Directors.

Shareholding of our Directors

Our Articles of Association do not require our Directors to hold any qualification shares.

The table below sets forth details of Equity Shares held by the Directors, as on date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Director	No. of shares held	Percentage (%)
1	Sanjay Mehta	1,42,31,000	84.99
2	Ashley Mehta	8,00,000	4.78
3	Puneet Pal Singh	1,00,000	0.60
Total		**15,131,000**	**90.37**

Service contracts with Directors

As on the date of filing of this Draft Red Herring Prospectus, our Company has not entered into any service contracts with the Directors.

Contingent and/or deferred compensation payable to our Whole-time Director:

Except as disclosed under "***Our Management – Terms of appointment of our Executive Director***" beginning on page 207 there are no contingent or deferred compensation payable to our Executive Director which does not form part of his remuneration.

Borrowing Powers

Pursuant to our Articles of Association and the applicable provisions of the Companies Act, 2013 and the rules framed thereunder, and pursuant to our Board resolution dated March 4, 2023, and the special resolution passed by our Shareholders on April 3, 2023, our Board is authorised to borrow sums of money, which, together with the monies borrowed by our Company (excluding temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of our Company and its free reserves, provided that the aggregate borrowings and outstanding at any time shall not exceed the amount of Rs.2,000 lakhs or the aggregate of the paid-up share capital and free reserves of our Company, whichever is higher.

Interest of Directors

Our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company for attending meetings of our Board or committees thereof.

Our Directors may be interested to the extent of Equity Shares, if any, held by them, or held by the entities in which they are associated as partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees and any dividend and other distributions payable in respect of such Equity Shares.

One of our Directors, Ashley Mehta is entitled to receive rent for the use of the Registered Office of our Company. For further details, please see "***Our Business - Properties***" and "***Restated Financial Statements – Annexure VIII – Related Party Transactions***" on page 185 and 245, respectively.

None of our Directors have availed any loan from our Company.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

Interest in property

None of our Directors are interested in any property acquired or proposed to be acquired by our Company. However, the below listed property of the Company are held by our Managing Director, Sanjay Mehta.

No.	Description of the property	Description of the property	Owned/Leased	Usage
1	Land admeasuring 8 kanal in khasra No 358, Khewat no 48, and Khatra no 1324 Village Lamberi, Tehsil Nowshera, Jammu	Land	Owned	Investment and providing collateral security to the bank
2	781.56 Sq.Ft Hall no 409 (A-2),at Bahu Plaza Complex, Jammu	Commercial Space*	Long term Lease	Investment and providing collateral security to the bank
3	3049.17 Sq.Ft.Plot no. 23, Sector No. 1-A, Chaani Himmat, Jammu	Building	Owned	Investment and providing collateral security to the bank
4	20 kanal in khasra No 792, Khewat no 470 and Khatra No 80 Village Ban, Tehsil: Nagrota, Dist Jammu	Land	Owned	Investment and providing collateral security to the bank

Sanjay Mehta on behalf of the Company had participated in a bid for obtaining the above-mentioned property on long term lease basis of 40 years by Jammu Development Authority and was successfully allotted. However, due to dispute regarding actual area of said property advertised vis-à-vis allotted, a writ petition has been filed by Sanjay Mehta against Jammu Development Authority. For details, see* "*Outstanding Litigations and Material Developments – Litigation filed by our Promoter***" on page 287.

Note:

The above listed immovable properties are held in the name of our Promoter and Director, Sanjay Mehta but on behalf of the Company. This is due to the fact that the then prevailing special status of the then State of Jammu & Kashmir under erstwhile Article 370 of the Indian Constitution restricted all companies, incorporated under Indian Companies Act 1956 or Companies Act 2013, to purchase or hold any immovable property in its name and therefore as a fall out, it was customary for the directors of such company to purchased immovable property in their own name and contribute the same to the assets of the company. Accordingly, under an internal arrangement, between our Promoter and Director, Sanjay Mehta and our Company, the above listed properties are held in the name of Sanjay Mehta but the properties are being shown in the Company's books of account as assets of our Company. For details, see ***"Restated Financial Statement – Investment Property"*** *on page 249. Following the abrogation of Article 370 and Article 35-A of the Constitution of India in year 2019, companies in the Union Territory of Jammu and Kashmir are now permitted to possess immovable property under their own name. Nevertheless, companies based in J&K continues to encounter challenges in acquiring and registering such properties due to factors beyond their control such as administrative complications, delays in the registration process and other local or regional considerations. Furthermore, due to the ongoing writ petition bearing number WP (C) 1013/2019, which was filed before the Hon'ble Supreme Court challenging the abrogation of Article 370 of the Indian constitution and other connected matter (which is presently sub-judice), there is certain apprehension regarding the validity of abrogation of Article 370 and future socio-political condition in the Union Territory of Jammu and Kashmir. In case Article 370 and 35A of the Indian Constitution are restored by Hon'ble Supreme Court, our Company may be subject to the then prevailing restriction on holding immovable properties in its name. Therefore, once the final verdict of Hon'ble Supreme Court is announced and if the same holds the validity of abrogation of the Article 370 of the Indian Constitution, our Company will be required to register the above-mentioned immovable properties in its own name. For details, see "****Risk Factor - We do not own certain premises used by our Company. Disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would adversely impact our operations and, consequently, our business"*** on page 53 and "***Our Business – Properties***" on page 185.

Interest in promotion or formation of our Company

Sanjay Mehta, Managing Director, Ashley Mehta, Non-executive Director and Puneet Pal Singh, Whole-time Directors are the Promoters of our Company. For further details regarding our Promoter, see ***"Our Promoters"*** beginning on page 220.

Business interest

Except as stated in the sections titled ***"Restated Financial Statements – Annexure VIII – Related Party Transactions"*** on page 245, our Directors do not have any other business interest in our Company.

Confirmation

None of our Directors is or was a director of any listed company whose shares have been or were suspended from being traded on any stock exchanges in India during the term of their directorship in such companies, in the last five years preceding the date of this Draft Red Herring Prospectus.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchanges, during the term of their directorship in such Companies.

None of our Directors have been declared as Wilful Defaulters.

Confirmation in relation to RBI Circular dated July 1, 2016

Neither our Company nor any of our Directors have been declared as Fraudulent Borrowers by RBI in terms of the RBI circular dated July 1, 2016.

Changes in our Board during the last three years

The changes in our Board of our Company during the last three years till the date of this Draft Red Herring Prospectus are set forth below.

Name of Director	Date	Reason
Vikas Vaid	December 30, 2020	Change in designation to Executive Director
Aleena Mehta	January 18, 2022	Appointment as Additional Director
Aleena Mehta	September 7, 2022	Resignation as Additional Director
Thakur Krishan Singh	January 9, 2023	Resignation as Executive Director
Vinod Kohli	January 9, 2023	Resignation as Non-executive Director
Rajeev Mehta	January 9, 2023	Resignation as Executive Director
Vikas Vaid	January 9, 2023	Resignation as Executive Director
Puneet Pal Singh	October 1, 2022	Appointment as Additional Director
Inder Jeet Kumar	August 2, 2023	Appointment as Independent Director
Yudhvir Gupta	August 2, 2023	Appointment as Independent Director
Dhaman Kumar Pandoh	August 2, 2023	Appointment as Independent Director
Indra Jeet Kumar	August 29, 2023	Resignation as Independent Director
Dharam Kumar Pandoh	August 29, 2023	Resignation as Independent Director
Puneet Pal Singh	August 30, 2023	Change in designation to Whole-time Director
Sushil Sharma	August 30, 2023	Appointment as Independent Director
Sanjay Sharma	September 11, 2023	Appointment as Additional Independent Director
Sanjay Sharma	September 25, 2023	Change in designation to Independent Director

Corporate Governance

As on the date of this Draft Red Herring Prospectus, we have 6 directors on our Board, comprising of 1 Managing Director, 1 Whole-time Director, 1 non-executive woman director, and 3 non-executive independent directors. The present composition of our Board of Directors and its committees are in accordance with the Companies Act, 2013, and SEBI Listing Regulations.

The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013 and the SEBI Listing Regulations in relation to the composition of our Board and constitution of committees thereof. Our Company undertakes to take all necessary steps to continue to comply with all applicable requirements of the SEBI Listing Regulations and the Companies Act.

Board committees

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

a. Audit Committee;
b. Nomination and Remuneration Committee;
c. Stakeholders Relationship Committee;
d. Corporate Social Responsibility Committee;
e. Risk Management Committee; and
f. Internal Complaints Committee.

Details of each of these committees are as follows:

Audit Committee

The Audit Committee was constituted pursuant to a meeting of our Board held on September 11, 2023.

The Audit Committee currently consists of:
a) Yudhvir Gupta *(Chairperson)*
b) Sushil Sharma *(Member)*; and
c) Sanjay Mehta *(Member)*.

Further, the Company Secretary of our Company shall act as the secretary to the Audit Committee.

The scope, functions and the terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 (3) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part C.

The role of the audit committee shall include the following:
1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    (b) Changes, if any, in accounting policies and practices and reasons for the same;
    (c) Major accounting entries involving estimates based on the exercise of judgment by management;
    (d) Significant adjustments made in the financial statements arising out of audit findings;
    (e) Compliance with listing and other legal requirements relating to financial statements;
    (f) Disclosure of any related party transactions;
    (g) Qualifications in the draft audit report
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor’s independence, performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non – payment of declared dividends) and creditors;
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases;
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
21. To investigate any other matters referred to by the Board of Directors;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Further, the Audit Committee shall mandatorily review the following:
(a) Management discussion and analysis of financial condition and results of operations;
(b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
(c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
(d) Internal audit reports relating to internal control weaknesses; and
(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
(f) Statement of deviations:
  1. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of regulation 32(1);
  (a) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Nomination and Remuneration Committee:

The Nomination and Remuneration committee was constituted by a resolution of our Board dated September 11, 2023.

The Nomination and Remuneration Committee currently consists of:
a) Yudhvir Gupta *(Chairperson)*;
b) Sushil Sharma *(Member)*; and
c) Sanjay Sharma *(Member)*

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of Nomination and Remuneration Committee shall include the following:
(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
(2) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: a. use the services of an external agencies, if required; b. consider candidates from a wide range of backgrounds, having due regard to diversity; and c. consider the time commitments of the candidates;
(3) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
(4) Devising a policy on diversity of board of directors;
(5) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
(6) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(7) Recommend to the board, all remuneration, in whatever form, payable to senior management

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted pursuant to a meeting of our Board held on September 11, 2023. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently consists of:

a) Sushil Sharma *(Chairperson)*;
b) Yudhvir Gupta *(Member)*; and
c) Puneet Pal Singh *(Member)*

Role of Stakeholders' Committee

The role of Stakeholder Relationship Committee, together with its powers, is as follows:

(1) Resolving grievances of our security holders, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
(2) Review of measures taken for effective exercise of voting rights by shareholders;
(3) Review of adherence to the service standards adopted by our Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
(4) Review of various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Corporate Social Responsibility Committee

The CSR Committee was constituted by a resolution of our Board dated January 28, 2019 and was last reconstituted on August 29, 2023 by a resolution of our Board. The current constitution of the CSR Committee is as follows:

a) Sanjay Mehta *(Chairperson)*;
b) Yudhvir Gupta *(Member)*; and
c) Puneet Pal Singh *(Member)*

The terms of reference of the Corporate Social Responsibility Committee shall include the following:

1. formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
2. identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
3. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (i) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;
4. delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
5. review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
6. any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and
7. exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

Risk Management Committee

The Risk Management Committee was constituted by a resolution of our Board dated August 29, 2023. The current constitution of the Risk Management Committee is as follows:

a) Sanjay Mehta *(Chairperson)*;
b) Yudhvir Gupta *(Member)*; and
c) Puneet Pal Singh *(Member)*

The terms of reference of the Risk Management Committee shall include the following:

1. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
2. To implement and monitor policies and/or processes for ensuring cyber security;
3. To frame, devise and monitor detailed risk management plan and policy of the Company which shall include:
    a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks),information, cyber security risks, or any other risk as may be determined by the Committee.
    b. Measures for risk mitigation including systems and processes for internal control of identified risks.
    c. Business Continuity Plan
4. To review and recommend potential risk involved in any new business plans and processes;
5. To review the Company's risk-reward performance to align with the Company's overall policy objectives;
6. Monitor and review regular updates on business continuity;
7. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
8. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy;
9. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.
10. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the company;
11. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
12. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
13. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
14. To review the appointment, removal, and terms of remuneration of the Chief Risk Officer (if any).
15. Coordination of activities with other committee, in instances where there is any overlap with the activities of such committees as per the framework laid down by the Board of Directors.

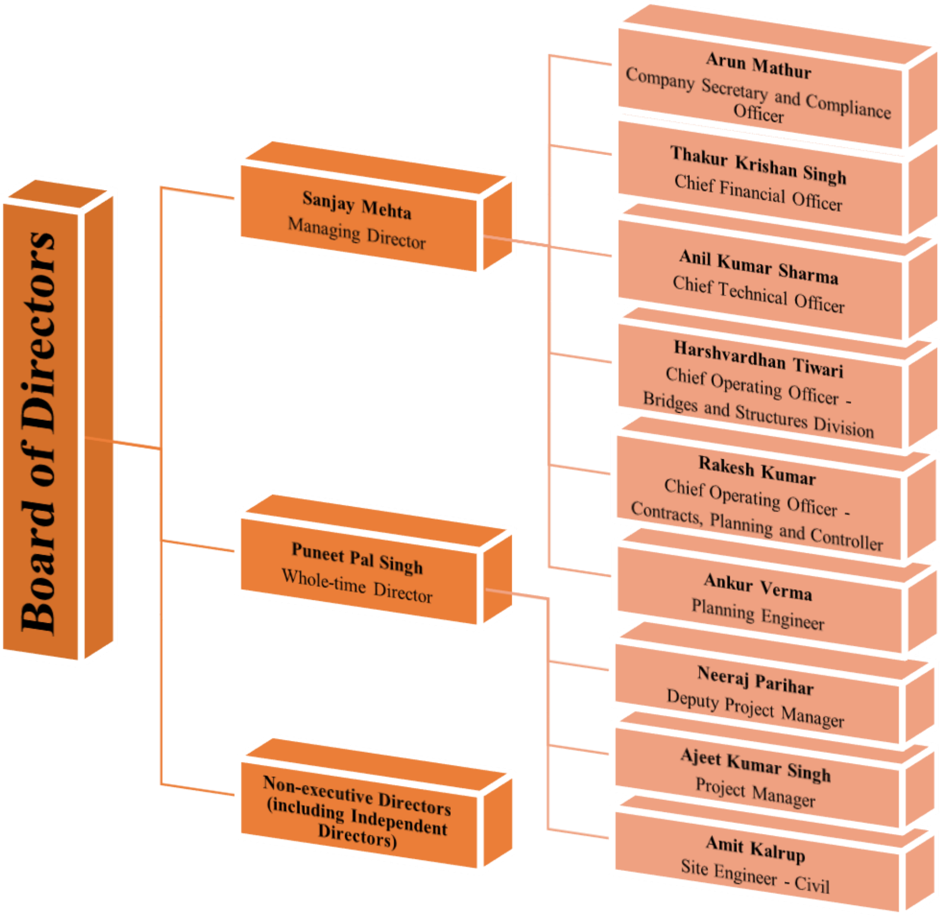
Internal Complaints Committee – Redressal of Sexual Harassment

The Internal Complaints Committee was constituted pursuant to a meeting of our Board held on August 29, 2023, for redressal of sexual harassment complaints and for ensuring time bound resolution of such complaints. The Internal Committee is in compliance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Committee / Complaints Committee currently consists of:

(a) Ujala Devi (*Presiding Officer*);
(b) Renu Sharma (*Member*);
(c) Rajesh Sharma (*Member*); and
(d) Arun Mathur (*Member*).

'

Management Organization Structure



Key Managerial Personnel and Senior Management Personnel

Key Managerial Personnel

Other than Sanjay Mehta, Managing Director and Puneet Pal Singh, Whole-time Director, whose details are provided hereinabove, the details of our Key Managerial Personnel, as on the date of this Draft Red Herring Prospectus are set forth below.

Arun Mathur is the Company Secretary and Compliance Officer of our Company. He has been working with our Company since September 1, 2022. He has completed the degree of Master of Commerce from University of Jammu, Jammu & Kashmir, in the year 2014. He is an Associate Member of the Institute of Company Secretaries of India since August 25, 2014. He has previously worked with Devans Modern Breweries Limited from November, 2014 to June, 2017. He had his own Company Secretary practice from July, 2017 to August, 2022. In Fiscal 2023, he received an average compensation of Rs.2,45,000 from our Company.

Thakur Krishan Singh is the Chief Financial Officer of our Company. He has been working with our Company since its incorporation. He has completed the degree of Bachelor of Science from University of Jammu & Kashmir, in the year 1965. He has also completed the course on Financial Management in the year 1996 and Skill Enrichment and Managerial Competencies in the year 1997 from J & K Institute of Management, Public Administration and Rural Development. He has previously worked as Senior Manager (Finance) with Jammu & Kashmir Tourism Development Corporation, Jammu from July 1970 till August 2000. In Fiscal 2023, he received an compensation of Rs.4,86,500 from our Company.

Senior Management

In addition to the Chief Financial Officer and the Company Secretary and Compliance Officer of our Company, whose details are provided in "***Our Management – Key Managerial Personnel***" on page 216, the details of our other Senior Management are set out below:

Anil Kumar Sharma is the Chief Technical Officer in our Company. He has been working with our Company since January 1, 2013. He has completed the degree of Fifty Three Engineer Officers Degree Engineering Course in Civil Engineering from the College of Military Engineering, Pune in the year 1984. He has previously worked as Army Officer in the year since November1989 till his retirement in the year 2000 at the post of Lt. Colonel. He has also worked with Sanrachna Multipurpose Consultancy Services Private Limited as an Associate Highway Consultant from June 2002 till the year 2004. Thereafter, he worked Konkan Railway Corporation Limited as Deputy Chief Engineer from April 2004 to March 2007. He has also Intercontinental Consultants and Technocrats Private Limited as a Consultant from March 2007 to February 2007 and M. Venkata Rao Infra Projects Private Limited as a Chief Executive Officer on Contractual basis from the year April, 2010. Thereafter he joined Konkan Railway Corporation Limited as a Project Manager/Road from July 2011 to September 2012. He has over 20 years of experience in the field of EPC. His roles and responsibilities include overseeing the designing at pre-bid stage and post bid stage and thereafter planning the execution of new projects. In Fiscal 2023, he received a compensation of Rs.5,74,016 from our Company.

Harshvardhan Tiwari is the Chief Operating Officer - Bridges & Structures Division in our Company. He has been working with our Company since June 1, 2022. He has completed the degree of Bachelor of Technology in Civil Engineering from Uttar Pradesh Technical University, Lucknow in the year 2012. He has previously worked with Gammon Engineers & Contractors Private Limited as Engineer - Civil from the year 2012 till the year 2015 and then as a Deputy Manager – Civil from the year 2017 till the year 2021. He has over 10 years of experience in the EPC sector. His roles and responsibilities include overseeing of all major bridge & structures being executed by the Company. In Fiscal 2023, he received a compensation of Rs.25,85,700 from our Company.

Rakesh Kumar is a Chief Operating Officer - Contracts, Planning and Controller Division in our Company. He has been working with our Company since May 6, 2023. He has completed the degree of Bachelor of Technology from National Institute of Technology, Patna in the year 2008. He has over 14 years of experience in the field of Infrastructure. His roles and responsibilities include planning of all allotted works and overseeing the tendering for new projects which includes to consider new tender by its type before preparing our Company's bid for a particular project and thereafter evaluate pre-qualifications criteria for bidding. As he was appointed in May 2023 he has not received any compensation from the Company in the Fiscal 2023.

Neeraj Parihar is a Deputy Project Manager in our Company. He has been working with our Company since May 17, 2021. He has completed the degree of Bachelor of Technology in Civil Engineering from Kurukshetra University, Kurukshetra in the year 2015. He has previously worked with Gammon Engineers & Contractors Private Limited as Engineer - Civil from the year 2016 till the year 2021; and ECI-SRM Contractors Private Limited as Deputy Manager – Civil. He has over 7 year of experience in the EPC sector. His roles and responsibilities include overseeing the execution of slope stabilization work being executed by the Company. In Fiscal 2023, he received a compensation of Rs.4,20,014 from our Company.

Ajeet Kumar Singh is the Project Manager in our Company. He has been working with our Company since December 1, 2020. He has completed his Diploma in Civil Engineering from the Board of Technical Education U. P., Lucknow in the year 2006. He has previously worked with M/s Jay Somnath Construction as a Junior engineer from the year 2006 till the year 2009. Subsequently, he worked with M/s Apex Logistics as a Surveyor from the year 2009 till the year 2010. Thereafter, he worked with M/s Jayanthilal Naran Chotara (Sorathiya), Civil & Earth work contractors from the year 2010 till the year 2013. He has also worked with MBL Infrastructure Limited as a Site Engineer from the year 2013 till the year 2016. Thereafter, he was appointed as a Senior Site Engineer in Maccaferri Environmental Solutions Private Limited from the year 2016 till the year 2020. He then joined MKC Infrastructure Limited as a Deputy Project Manager from September 2020 till December 2020. He has over 18 years of experience in the field of infrastructure. His roles and responsibilities include overseeing works related to execution of tunnel works. In Fiscal 2023, he received a compensation of Rs.4,25,000 from our Company.

Amit Kalrup is a Site Engineer **-** Civil on one of the projects in our Company. He has been working with our Company since June 1, 2022. He has completed the degree of Master of Technology in Construction Technology and Management from Deshbhagat University, Gobindgarh in the year 2022. He has previously worked with Gammon Engineers & Contractors Private Limited as a Site Engineer from September 2017 to August 2018 and as QS Engineer from September 2018 to July 2019, and has over 3 years of experience in the EPC sector. His roles and responsibilities include overseeing the procurement process and ensure supply of material in a time bound manner to the project sites. In Fiscal 2023, he received a compensation of Rs.2,99,590 from our Company.

Ankur Verma is a Planning Engineer in our Company. He has been working with our Company since April 1, 2013. He has completed the degree of Civil Engineering (provisional) from Punjab Technical University, Punjab in the year 2012. He has over 10 years of experience in the EPC sector. His roles and responsibilities include overseeing central coordination of work activities at all work locations, billing of works by overseeing activities of QS of all sites. In Fiscal 2023, he received a compensation of Rs.10,80,000 from our Company.

Service Contracts with Key Managerial Personnel

No Key Managerial Personnel and Senior Management has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Interest of Key Managerial Personnel and Senior Management Personnel

For details of the interest of our Executive Directors in our Company, see "***Our Management – Interest of Directors***" on page 209.

Other than to the extent of the remuneration, benefits, interest of receiving dividends on the Equity Shares, reimbursement of expenses incurred in the ordinary course of business, our Key Managerial Personnel and Senior Management Personnel have no other interest in the equity share capital of the Company.

No loans have been availed by our Key Managerial Personnel and Senior Management Personnel from our Company as on the date of this Draft Red Herring Prospectus.

Relationship amongst Key Managerial Personnel and Senior Management Personnel

Except as disclosed in the "***Our Management*** **- Relationship between Directors and Key Managerial Personnel or Senior Management**", none of our Key Managerial Personnel and Senior Management Personnel are related to each other.

Arrangements and understanding with major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel and Senior Management Personnel have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Payment or benefit to officers of our Company (non-salary related)

No non salary related amount or benefit has been paid or given to any officer of our Company including Key Managerial Personnel or Senior Management within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel

There is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management Personnel.

Bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management Personnel

There is no bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management Personnel.

Status of Key Managerial Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel and Senior Management Personnel

Except Sanjay Mehta, Managing Director and Puneet Pal Singh, Whole-time Director, none of our Key Managerial Personnel and Senior Management Personnel hold Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

No.	Name of the Shareholder	Number of Equity Shares	Percentage of pre- offer equity share capital
1.	Sanjay Mehta	1,42,31,000	84.99
2.	Puneet Pal Singh	1,00,000	0.60
3.	Anil Kumar Sharma	6,600	Negligible
4.	Thakur Krishan Singh	6,600	Negligible

Changes in Key Managerial Personnel and Senior Management Personnel during the last three years

The changes in our Key Managerial Personnel and Senior Management Personnel during the last three years till the date of this Draft Red Herring Prospectus are set forth below.

Name of KMP/SMP	Date	Reason
Ajeet Kumar Singh	December 1, 2020	Appointment as Execution Assistance Manager
Neeraj Parihar	May 17, 2021	Appointment as Deputy Project Manager
Amit Kalrup	June 1, 2022	Appointment as Site Engineer - Civil
Harshvardhan Tiwari	June 1, 2022	Appointment as Chief Operating Officer - Bridges & Structures Division
Arun Mathur	September 1, 2022	Appointment as Company Secretary
Thakur Krishan Singh	January 9, 2023	Appointment as CFO
Rakesh Kumar	May 6, 2023	Appointment as Chief Operating Officer - Contracts, Planning and Controller

Attrition of Key Managerial Personnel and Senior Management Personnel

The attrition of Key Managerial Personnel and Senior Management Personnel is not high in our Company

Employee Stock Options and Stock Purchase Schemes

As on date of this Draft Red Herring Prospectus, our Company does not have any Employee Stock Options and other Equity-Based Employee Benefit Schemes.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Sanjay Mehta, Ashley Mehta and Puneet Pal Singh are the Promoters of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters' shareholding in our Company is as follows:

Sr. No.	Name of the Promoter	No. of Equity Shares held	% of Pre-Issue issued, subscribed and paid-up Equity Share capital*
1.	Sanjay Mehta	1,42,31,000	84.99
2.	Ashley Mehta	8,00,000	4.78
3.	Puneet Pal Singh	1,00,000	0.60

**Rounded-off to the closest decimal*

For details of the build-up of the Promoters' shareholding in our Company, see "***Capital Structure – Details of Shareholding of our Promoters, members of the Promoter Group in our Company***", on page 85.

Details of our Promoters

Sanjay Mehta

Sanjay Mehta, born on November 21, 1969, aged 54, is a resident of India. He resides at H.No. 4 A, Opp. Jain Nagar, Talab Tillo, Jammu 180 002, India.

Permanent Account Number: ABKPM6979M

For his complete profile along with the details of his educational qualification, experience in the business, positions/posts held in past, directorships held, other ventures, special achievements, his business and financial activities, see "***Our Management - Brief Profile of our Directors***" on page 206.

Ashley Mehta

Ashley Mehta, born on July 19, 1999, aged 24, is a resident of India. She resides at No. 4 A, Opp. Jain Nagar, Talab Tillo, Jammu – 180 002, Jammu and Kashmir, India.

Permanent Account Number: EDMPM3564G

For her complete profile along with the details of her educational qualification, experience in the business, positions/posts held in past, directorships held, other ventures, special achievements, her business and financial activities, see "***Our Management - Brief Profile of the Directors***" on page 206.

Puneet Pal Singh

Puneet Pal Singh, born on December 15, 1997, aged 26, is a resident of India. He resides at H. No. 325, Govindpur, Satwari, Jammu - 180 003, Jammu and Kashmir, India.

Permanent Account Number: GNHPS5706P

For his complete profile along with the details of his educational qualification, experience in the business, positions/posts held in past, directorships held, other ventures, special achievements, his business and financial activities, see "***Our Management - Brief Profile of the Directors***" on page 206.

Our Company confirms that the permanent account number, bank account number, passport number, the Aadhar card number and driving license number of our Promoters shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Changes in control of our Company

There has not been any change in the control of our Company in the five (5) years immediately preceding the date of this Draft Red Herring Prospectus.

Interest of our Promoters

Our Promoters are interested in our Company to the extent of: (i) having promoted our Company; (ii) their shareholding and the shareholding of their relatives in our Company and the dividend payable, if any, and other distributions in respect of the Equity Shares held by him or their relatives; (iii) of remuneration payable to them as Directors of our Company; and (iv) of payment of rent for the Registered Office. For further details, see "***Capital Structure***", "***Our Management***", "***Summary of the Issue Document - Related Party Transactions***" and "***Interest in property – Our Management***" and "***Restated*** "***Financial Statements***" beginning on pages 79, 204, 29, 209 and 225 respectively of this Draft Red Herring Prospectus.

Except as stated in "***Summary of the Issue Document - Related Party Transactions***" beginning on page 29 and disclosed in "***Our Management– Interest of Director***" beginning on page 209, there has been no payment of any amount or benefit given to our Promoters or Promoter Group during the two years preceding the date of filing of the Draft Red Herring Prospectus nor is there any intention to pay any amount or give any benefit to our Promoters or Promoter Group as on the date of filing of this Draft Red Herring Prospectus.

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm during the three years preceding the date of filing of this Draft Red Herring Prospectus.

Confirmations

Our Promoters have not been declared as Wilful Defaulters or Fraudulent Borrowers.

Our Promoters and members of our Promoter Group have not been debarred from accessing the capital market for any reasons by SEBI or any other regulatory or governmental authorities.

Our Promoters are not promoters or directors of any other Company which is debarred from accessing capital markets.

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Promoter Group

Persons constituting the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations except the Promoters are set out below:

Natural persons forming part of our Promoter Group (other than our Promoters):

Sr. No.	Name of the Individuals	Relationships
Sanjay Mehta		
1.	Kavita Sharma	Spouse
2.	Ram Mehta	Father
3.	Kamal Mehta	Mother
4.	Sudhir Mehta	Brother
5.	Vishal Mehta	Brother
6.	Rajeev Mehta	Brother
7.	Veena Sehgal	Sister
8.	Ashley Mehta	Daughter
9.	Aleena Mehta	Daughter
10.	Krishan Lal Sharma	Spouse's Father
11.	Ratna Sharma	Spouse's Mother
12.	Rajesh Sharma	Spouse's Brother
Ashley Mehta		
13.	Sanjay Mehta	Father
14.	Kavita Sharma	Mother
15.	Aleena Mehta	Sister
Puneet Pal Singh		
16.	Mohan Singh	Father
17.	Rajinder Kaur	Mother
18.	Akhiljeet Kaur	Sister

Entities forming part of our Promoter Group (other than our Promoters):

Sr. No.	Name of the entities
Body corporates in which at least 20% of the equity share capital is held by our Promoters or the immediate relatives as set out above of our Promoters	
1.	Trikuta Power Private Limited
2.	SRM Realties Private Limited
3.	Revya Technologies LLP

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations ‘group companies’ of our Company shall include (i) the companies with which there were related party transactions as disclosed as per Ind AS 24 during any of the last three Financial Years in respect of which the Restated Financial Statements are included in this Draft Red Herring Prospectus; and (ii) such other companies as considered material by the Board. For the purposes of (ii) above, pursuant to the resolution passed by our Board at its meeting held on August 29, 2023, the Board has approved that no companies shall be considered material.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, we do not have any group companies.

DIVIDEND POLICY

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the applicable laws including the Companies Act, 2013 together with the applicable rules issued thereunder. The dividend distribution policy of our Company was approved and adopted by our Board on August 29, 2023 (the "***Dividend Distribution Policy***").

The Dividend Distribution Policy provides that our Board may consider the following financial/internal parameters while declaring or recommending dividend to Shareholders: (i) our Company's net profits earned during the Financial Year after tax; (ii) retained earnings; (iii) working capital requirement and repayment of debts, if any, (iv) contingent liabilities; (v) earnings outlook for at least next three years; (vi) current and expected future capital/liquidity requirements including expansion, modernization, investment in group companies and acquisitions; (vii) buyback of shares or any other profit distribution measure; (viii) stipulations/covenants of any agreement to which our Company is a party (including; financing documents, investment agreements and shareholders agreement); (ix) applicable legal restrictions; (x) and overall financial position of our Company; and (xi) any other factors and material events considered relevant by our Board, including those set out in any annual business plan and budget of our Company.

Our Board may consider the following external parameters while declaring or recommending dividend to Shareholders: (i) the applicable legal requirements, regulatory conditions or restrictions; (ii) dividend pay-out ratios of companies in similar industries; (iii) financing costs; (iv) the prevailing economic environment; and (v) any other relevant factors and material events to our Company.

Further, our Board may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

Retained earnings may be utilized by our Company for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board. Our Company may also, from time to time, pay interim dividends. For details in relation to risks involved in this regard, see "***Risk Factors - Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements***" on page 57.

We have not declared and paid any dividends on the Equity Shares in any of the five Financial Years preceding the date of this Draft Red Herring Prospectus and until the date of this Draft Red Herring Prospectus. The dividend history in the past is not necessarily indicative of our dividend amounts, if any, in the future.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To,
The Board of Directors
SRM Contractors Limited,
Sector -3, Trikutanagar,
Opp. BJP Office,
Jammu – 180012,
Jammu and Kashmir, India.

Dear Sir,

1. We have examined the attached Restated Consolidated Financial Information of SRM Contractors Limited (the "Company") (CIN: U45400JK2008PLC002933), comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31,2023, March 31, 2022 and March 31, 2021 Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the year ended March 31,2023, March 31, 2022 and March 31, 2021 and the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on August 29, 2023 for the purpose of inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus ("RHP") and Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:
   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Financial Information for the purpose of inclusion in the RHP and Prospectus to be filed with Securities and Exchange Board of India ("SEBI"), the stock exchanges where the equity shares of the Company are proposed to be listed ("Stock Exchanges") and the Registrar of Companies, Jammu,Jammu and Kashmir ("ROC"), in connection with the proposed IPO. The Financial Information has been prepared by the management of the Company on the basis of preparation stated in Note no.2 in Annexure V to the Financial Information.

3. The responsibility of the Board of Directors of the Company includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

4. We have examined such Restated Consolidated Financial Information taking into consideration:
   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated June 01, 2023 in connection with the proposed IPO of equity shares of the Company.
   b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Financial Information; and
   d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed

solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

5. These Financial Information have been compiled by the management from:
   a) Audited ("Indian GAPP") Financial Statements of the company as at and For the years ended March 31,2023 March 31,2022 and March 31, 2021 prepared by making Ind AS adjustments to the audited financial statements of the Company as at and for the year ended March 31,2023 ,March 31, 2022 and March 31, 2021 prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP") and other accounting principles generally accepted in India, at the relevant time, which was approved by the Board of directors at their meeting held on August 29, 2023.

6. Based on our examination and according to the information and explanations given to us, we report that the Financial Information:
   a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications to reflect the accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2023;
   b) does not contain any qualification requiring adjustments.
   c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. Other Financial Information:

   We have also examined the following financial information as set out in annexure prepared by the management and as approved by the Board of Directors of the Company for the financial year ended March 31, 2023, March 31, 2022, and March 31, 2020.

Particulars	Annexure No.
Restated Balance Sheet	I
Restated Statement of Profit and Loss	II
Restated Cash Flow Statement	III
Restated Statement of Changes in Equity	IV
Restated Statement of Account Policies and Notes	V
Restated Ratios	VI
Restated Earnings Per Share and other accounting ratios	VII
Restated Related Party Disclosure	VIII
Restated Tax Shelter	IX
Restated Capitalization Statement	X

8. In our opinion, the above restated financial information contained in this report read along with the are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable, as amendedfrom time to time, and in terms of our engagement as agreed with the Company. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

9. Consequently, the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

10. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 5 above.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us , nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP, RHP and Prospectus to be filed with SEBI, Stock Exchanges and ROC in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

I. Auditor's Responsibility

Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

II. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable**.**

For.Satyendra Mrinal & Associates
Chartered Accountants

Sd/-
Amit Gupta
Partner
M. No. 505172
FRN No. 017068N
Place : Jammu
Date : 29.08.2023
UDIN:23505172BGUTEV3767

Annexure I - RESTATED STATEMENT OF ASSETS & LIABILITIES

(Rs. In Lakhs)

	Particulars	Note No	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
A.	**ASSETS**				
1	**Non Current Assets**				
	(a) Property, Plant and Equipment	1	3,946.92	2,937.55	2,999.95
	(b) Investment Property	2	179.40	145.64	164.11
	Total Non Current Assets		**4,126.32**	**3,083.19**	**3,164.06**
2	**Current Assets**				
	(a) Inventories	3	1,036.69	842.56	466.25
	(b) Financial Assets				
	(i) Trade Receivables	4	1,537.93	1,621.29	2,254.03
	(ii) Cash and Cash Equivalents	5	2,066.59	1,665.35	1,584.84
	(iii) Investments	6	678.98	227.83	433.36
	(iv) Loans	7	439.98	109.36	109.45
	(v) Other financial assets	8	3,827.08	4,467.19	3,230.31
	(c) Other Current Assets	9	22.61	4.82	4.65
	Total Current Assets		**9,609.86**	**8,938.40**	**8,082.89**
	Total Assets(1+2)		**13,736.18**	**12,021.59**	**11,246.95**
B	**Equity and Liabilities**				
1	**Equity**				
	(a) Share capital	10	1,674.40	152.22	152.22
	(b) Other equity	11	4,641.18	4,288.76	2,531.99
	© Minority interest		0.49	0.49	0.49
	Total Equity		**6,316.07**	**4,441.47**	**2,684.70**
2	**Non Current Liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	12	2,576.68	1,767.05	1,955.30
	(ii) Provisions		-	-	-
	(b) Deferred Tax Liabilities (Net)	13	151.23	74.49	16.13
	Total Non Current Liabilities		**2,727.91**	**1,841.54**	**1,971.43**
3	**Current Liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	12	2,139.14	1,385.35	1,240.45
	(ii) Trade Payables				
	-Due to Micro and Small Enterprises	14	13.54	-	-
	-Due to Other then Micro and Small Enterprise		1,101.95	2,720.13	4,219.68
	(b) Provisions	15	800.81	1,483.17	949.16
	(c) Other Current Liabilities	16	636.77	149.93	181.53
	Total Current Liabilities		**4,692.21**	**5,738.58**	**6,590.82**
	Total Equity and Current Liabilities (1+2+3)		**13,736.19**	**12,021.59**	**11,246.95**

As per our Report on Even date attached
For.Satyendra Mrinal & Associates
Chartered Accountants

Sd/-
Amit Gupta
Partner
M. No. 505172
FRN No. 017068N
Place : Jammu
Date : 29.08.2023
UDIN:23505172BGUTEV3767

For, SRM Contractors Limited

Sd/-
Sanjay Mehta
Managing Director
DIN : 02274498

Sd/-
Puneet Pal Singh
Director
DIN: 09740051

Annexure II - RESTATED STATEMENT OF PROFIT & LOSS

(` in Lakhs)

	Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
I.	Revenue from operations	17	30,029.08	26,361.14	16,005.89
II.	Other income	18	36.01	189.74	188.85
III.	**Total Income (I + II)**		**30,065.09**	**26,550.88**	**16,194.74**
IV.	Expenses:				
	Cost of material Consumed	19	21,757.84	18,551.83	11,097.14
	Employee benefits expense	20	1,131.98	874.86	692.32
	Finance costs	21	580.02	255.35	232.70
	Depreciation and amortization expense	22	780.80	616.45	516.82
	Other expenses	23	3,309.59	3,922.91	2,572.46
	Total expenses		**27,560.23**	**24,221.40**	**15,111.44**
V.	**Profit before tax (III-IV)**		**2,504.86**	**2,329.48**	**1,083.30**
VI.	Tax expense:				
	(1) Current tax		553.50	514.35	259.64
	(2) Deferred tax	24	76.74	58.36	(3.62)
	(3)MAT Credit Entitlement		-		
VII.	**Profit (Loss) for the period (V-VI)**		**1,874.62**	**1,756.77**	**827.28**
	(1) Remeasurements of the defined benefit plans		-	-	-
	(2) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
VIII	**Total other comprehensive income**		-	-	-
IX.	**Total comprehensive income for the year (VII+VIII)**		**1,874.62**	**1,756.77**	**827.28**
X.	**Earnings per equity share:**				
	(1) Basic (Adjusted)		90.82	1,154.10	543.47
	(2) Diluted (Adjusted)		90.82	1,154.10	543.47

For.Satyendra Mrinal & Associates
Chartered Accountants

Sd/-
Amit Gupta
Partner
M. No. 505172
FRN No. 017068N
Place : Jammu
Date : 29.08.2023
UDIN:23505172BGUTEV3767

For, SRM Contractors Limited

Sd/-
Sanjay Mehta
Managing Director
DIN : 02274498

Sd/-
Puneet Pal Singh
Director
DIN: 09740051

Annexure III RESTATED STATEMENT OF CASHFLOW

(` in Lakhs)

Particulars	For the year ended 31st March 2023 Consolidated		For the year ended 31st March 2022 Standalone		For the year ended 31st March 2021 Standalone	
Cash flow from Operating Activities						
Net Profit Before tax as per Statement of Profit & Loss		**2,504.86**		**2,329.48**		**1,083.30**
Adjustments for :						
Depreciation & Amortisation Exp.	780.80		616.45		516.82	
Interest Income	62.77		58.44		61.66	
Finance Cost	580.02	1,423.59	255.35	930.24	232.70	811.18
Operating Profit before working capital changes		**3,928.45**		**3,259.72**		**1,894.48**
Changes in Working Capital						
Dec/(Inc) Trade receivable	83.36		632.74		(1,580.00)	
Dec/(Inc)loans	(330.62)		0.09		(85.31)	
Inventories	(194.13)		(376.31)		738.84	
Dec/(Inc) Other Current Assets	(17.79)		(0.17)		(4.63)	
Dec/(Inc) Current Investements	(451.15)		205.53		(87.28)	
Dec/(Inc) Other Financial Assets	640.11		(1,236.88)		(454.31)	
Inc/(Dec)Trade Payables	(1,604.64)		(1,499.55)		728.56	
Inc/(Dec) Other Current Liabilites	486.84		(31.60)		164.68	
Inc/(Dec) Long Term Provision	(682.36)		534.01		363.23	
		(2,070.38)		(1,772.14)		(216.22)
Net Cash Flow from Operation		**1,858.07**		**1,487.58**		**1,678.26**
Less : Income Tax paid		553.53		514.35		259.64
Net Cash Flow from Operating Activities (A)		**1,304.54**		**973.23**		**1,418.62**
Cash flow from investing Activities						
Purchase of Fixed Assets	(1,790.16)		(554.05)		(1,099.25)	
Investment in Property	(33.76)		18.47		(164.09)	
Interest Income	(62.77)		(58.44)		(61.66)	
		(1,886.69)		(594.02)		(1,325.00)
Net Cash Flow from Investing Activities (B)		(1,886.69)		(594.02)		(1,325.00)
Cash Flow From Financing Activities						
Proceeds From long Term Borrowing (Net)	809.63		(188.25)		(317.01)	
Interest Paid	(580.02)		(255.35)		(232.70)	
Proceeds from current	753.79	983.40	144.90	(298.70)	1,002.28	452.57

Particulars	For the year ended 31st March 2023 Consolidated	For the year ended 31st March 2022 Standalone	For the year ended 31st March 2021 Standalone
Borrowings			
Net Cash Flow from Financing Activities (C)	983.40	(298.70)	452.57
Net (Decrease)/ Increase in Cash & Cash Equivalents(A+B+C)	**401.25**	**80.51**	**546.19**
Opening Cash & Cash Equivalents	1,665.35	1,584.84	1,038.65
Cash and cash equivalents at the end of the period	**2,066.59**	**1,665.35**	**1,584.84**
Cash And Cash Equivalents Comprise :			
Cash	64.71	59.54	0.86
Bank Balance :			
Current Account	1,137.16	774.01	705.31
Deposit Account	864.72	831.80	878.67
Total	**2,066.59**	**1,665.35**	**1,584.84**

For.Satyendra Mrinal & Associates
Chartered Accountants

Sd/-
Amit Gupta
Partner
M. No. 505172
FRN No. 017068N
Place : Jammu
Date : 29.08.2023
UDIN:23505172BGUTEV3767

For, SRM Contractors Limited

Sd/-
Sanjay Mehta
Managing Director
DIN : 02274498

Sd/-
Puneet Pal Singh
Director
DIN: 09740051

Annexure IV :Accounting Policies & Notes on Accounts

NOTE 1 CORPORATE INFORMATION

SRM CONTRACTORS PRIVATE LIMITED ('the Company' is a public limited company incorporated and domiciled inIndia. The Company having CIN **U45400JK2008PTC002933**, is principally engaged in the business of providing engineering andconstruction services. The registered office of the Company is located at **Sec -3 Near JP head office , Trikuta Nagar Jammu 180012.**

The consolidated financial statements ('the financial statements')of the Company for the year ended 31 March 2022 were authorized for issue in accordance with resolution of the Boardof Directors on 07 September 2022.

Note 2 Significant accounting policies :-

i. Basis of preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time .

The financial statements have been prepared under the historical cost convention, with the exception of certain financial assets and liabilities, which have been measuredat fair value, on an accrual basis of accounting.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs(` 00,000), except when otherwise indicated. Amount presented as '0.00* ' are non zero numbers rounded off in Lakhs.

The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7- Statement of CashFlows.

ii. Operating cycle for current and non-current classification:

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract / service including the defect liability period, wherever applicable, and extends up to the realization ofreceivables (including retention monies) within the creditperiod normally applicable to the respective project.

iii. Accounting estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as atthe date of financial statements and the results of operationduring the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognized in the period in which they are determined.

iv. Investments in joint venture and associates

When the Company has with other parties joint control of the arrangement and rights to the net assets of thejoint arrangement, it recognizes its interest as joint venture. Joint control exists when the decisions aboutthe relevant activities require unanimous consent of the parties sharing the control. When the Company has significant influence over the other entity, it recognizes such interests as associates. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity.

The results, assets and liabilities of joint venture and associates are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever applicable. An investment in associate or joint venture is initially recognised at cost and adjusted thereafter to recognise the Company's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in other equity of joint ventures or associates resulting in dilution of stake in the joint ventures and associates is recognised in the Statement of Profit and Loss. The unrealised profits/ losses on transactions with joint ventures are eliminated by reducing the carrying amount of investment.

The carrying amount of the equity accounted investments is tested for impairment in accordance with the policy.

v. Key accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statement.

a. Estimation uncertainty related to the global health pandemic on COVID-19

The Company's operations have significantly recovered from the impact of COVID-19 pandemic and there are no significant continuing impact on the operations and financial statements of the Company as at 31 March 2022. The Management continuous to closely monitor the current developments and possible effects of COVID-19 pandemic on it's financial condition, liquidity and operations.

b. Contract estimates

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those products or services. The Company derives revenues primarily from providing engineering and construction services. The percentage-of-completion of a contract is determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost of completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, if any. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the consolidated selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the consolidated selling price, or as a termination of the existing contract and creation of a new contract if not priced at the consolidated selling price.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit and Loss immediately in the period in which such costs are incurred.

c. Variable consideration (claims)

The Company has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design, Escalation clause and change in scope of work etc., which are at various stages of negotiation/ discussion/ arbitration/ litigation with the clients. The reliability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and/or external experts, wherever necessary. Changes in facts of the case or the legal framework may impact reliability of these claims.

d. Deferred tax assets

In assessing the reliability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible.

Management considers the applicable tax rates, scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

e. Useful lives of property, plant and equipment, investment property, right of use assets and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of assets are determined by the management at the time of acquisition of asset and reviewed periodically, including at each financial year. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

f. Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

vi. Inventories

a. Construction materials, stores, spares and fuel

The stock of construction materials, stores, spares and fuel is valued at cost or net realizable value ('NRV'), whichever is lower. Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition. Net realizable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale

b. Work in progress

Construction / development expenses are accumulated under "Work-in-progress" and the same are valued at lower of cost or net realizable value.

Cost of land purchased / acquired by the Company includes purchase / acquisition price plus stamp duty and registration charges.

Construction / development expenditure includes cost of development rights, all direct and indirect expenditure incurred on development of land/ construction, attributable interest and financial charges and overheads relating to site management and administration less incidental revenues arising from site operations.

vii. Going concern

As at 31 March 2023, the consolidated balance sheet has earned profits aggregating **2505.06 Lakhs** during the year 2022-23. Also The Company has been able to attain contracts for future, also there are no delays in payment of bank loans and the creditors. The above factors indicate that no such events or conditions exist, which may cast significant doubt on the entity's ability to continue as a going concern. Hence the entity is a a going concern.

viii. Capital work-in-progress

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure. No such capital work in progress

ix. Depreciation and amortization

Depreciation is provided for property, plant and equipment so as to expense the cost less residual value over their estimated useful lives on a straight line basis, except Building and sheds which is depreciated using WDV method. Intangible assets are amortized from the date they are available for use, over their estimated useful lives. The useful lives are as per Schedule II to the Act .

Depreciation on additions is provided on a pro-rata basis, from the date on which asset is ready to use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are accounted in the Statement of Profit and Loss under Other income or Other expenses.

x. Intangible assets

Intangible assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably, less accumulated amortization and accumulated impairment losses, if any.

Intangible assets mainly comprise of toll roads and computer software. Computer software represents license fees and implementation cost for software and other application software acquired / developed for in-house use. Intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment loss if any. Intangible assets are amortized on a straight line basis over the estimated economic life. Costs relating to software, which are acquired, are capitalized and amortized on a straight line basis over their useful lives not exceeding Five years.

xi. Employee benefits

a. Short term employee benefits:

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences are recognised in the period in which the absences occur.

b. Defined contribution plan

Provident fund contribution, in respect of certain employees of the Company is made to a government administered fund, and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the company has no further obligations beyond the monthly contributions.

Contributions to defined contribution schemes such as Employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

c. Defined benefit plan

In respect of certain employees, provident fund contributions are made the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method at the end of each year. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. Accumulated gratuity, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and which is expected to be carried forward beyond 12 months, as long term employees benefit for measurement purpose.

d. Leave entitlement and compensated absences

Leave entitlement is recognized in the Statement of Profit and Loss in the period in which they occur.

xii. Revenue recognition

a. Revenue from construction contracts

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration, the Company expects to receive in exchange for those products or services.

The Company evaluates whether the performance obligations in engineering and construction services are satisfied at a point in time or over time. The performance obligation is transferred over time if one of the following criteria is met:

i. As the entity performs, the customer simultaneously receives and consumes the benefits provided by the entity's performance.
ii. The entity's performance creates or enhances an asset (e.g., work in progress) that the customer controls as the asset is created or enhanced.
iii. The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The percentage-of-completion of a contract is determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Advance payments received from contractee for which no services are rendered are presented as 'Advance

The Company presents revenues inclusive of GST Collected in its statement of profit and loss.

b. Other income

xiii. Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR.

xiv. Dividend income

Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

xv. Other income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

c. Expenditure

Expenditure is accounted on accrual basis and provision is made for all known losses and liabilities

xvi. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

xvii. Segment reporting

The company has considered business segment as the primary segment for disclosure. The Company's operations predominantly relate to 'Engineering and Construction', 'Infrastructure' and 'Real Estate'. Other business segments contribute less than 10% of the total revenue and have been grouped as 'Others' Accounting Standard 17 on Segment Reporting are considered and there is only one reportable segment.

xviii. Borrowing costs

Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds..

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

xix. Income tax

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

a. Current tax

Current tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognized for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date.

The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realization.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

xx. Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the parent by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the parent and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xxi. Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognized because it cannot be measured reliably.

Contingent assets are disclosed where an inflow of economic benefits is probable.

xxii. DISCLOSURE IN ACCORDANCE WITH ACCOUNTING STANDARD 18 FOR RELATED PARTY TRANSACTIONS:

NAME(S) OF THE RELATED PARTY	NATURE OF RELATIONSHIP	NATURE OF CONTRACTS/ ARRANGEMENTS/ TRANSACTIONS	SALIENT TERMS OF THE CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS INCLUDING THE VALUE, IF ANY
SANJAY MEHTA	MANAGING DIRECTOR	SALARY	Rs. 60,00,000.00 Per Annum
VIKAS VAID	DIRECTOR	SALARY	RS. 12,00,000.00 Per Annum (10,00,000.00 during the year 2022-23)
PUNEET PAL SINGH	DIRECTOR	RENT	48,00,000.00 per Annum

xxiii. The consolidated of the following concerns have been done with the balance sheet of SRM CONTRCATORS (P) LIMITED of the Companies with the different parties is as follows:

S.NO.	NAME OF JOINT VENTURE	%AGE OF SHARE	SHARE OF PROFIT FOR THE YEAR	TURNOVER	SHARE IN TURNOVER
1.	ECI-SRM	80 %	690182.00	209920161.00	167936128.00
2.	KAPAHI- SRM	98 %	-3858875.00	25092752.20	24590897.00
3.	SRM- KAPAHI	98 %	-172565.00	1114857530.00	10920560379.00
4.	SAI -SRM	49 %	-831536.00	17513833.00	8581779.00

xxiv. CASH FLOW STATEMENT

Cash flows are reported using the indirect method as set out in Accounting Standard 3- Cash Flow Statements, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non- cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible in to known amounts of cash and which are subject to insignificant risk of changes in value.

xxv. Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items

Annexure V Notes to First-time adoption:

30. FIRST TIME ADOPTION OF IND AS

For the purpose of restated financial information as at and for the year ended March 31, 2021, the Company has followed the same accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101, as applicable) as initially adopted on transition date i.e. April 1, 2021.

Accordingly, suitable restatement adjustments (both remeasurements and reclassifications) in the accounting heads are made to the Ind AS financial information as at and for the year ended March 31, 2021 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2021).

Exemptions Applied:

1. Mandatory Exceptions

a. **Estimates :**

The estimates at March 31, 2021 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

b. **Classification and measurement of financial assets :**

Financial Instruments:

Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

c. **Impairment of financial assets: (Trade receivables and other financial assets)**

At the date of transition to Ind AS, the Company has determined that there is no significant increase in credit risk as most of the debtors are less than 6 months outstanding znd majoirt from Government authorities.

2. **Optional Exemptions :**

a. **Deemed cost-Previous GAAP carrying amount: (PPE, Intangible assets and Investment property)**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the company has elected to measure all of its property, plant and equipment, Intangible assets and Investment property at their previous GAAP carrying value.

b. **Short-term lease exemption:**

Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

31. OTHER NOTES:

a. There are no audit qualification in auditor's reports on the financial statements for financial year ended March 31, 2023, March 31, 2022 and March 31, 2021.

b. Appropriate re-groupings have been made in the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Ind AS financial information of the Company for the financial year ended March 31, 2023 prepared in accordance with amendment to Schedule III of Companies Act, 2013.

32. Additional Regulatory Information

i. Provision for current tax is made in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act 1961.

ii. The Company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami Property.

iii. The Company does not have any transactions with companies struck off.

iv. The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

v. The company have not traded or invest in Crypto currency or Virtual currency during the financial year.

vi. The company have not advanced or given loan or invested fund to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vii. The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

viii. The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

ix. The company has not been declared as Wilful defaulter by the Banks, Financial institution or other lenders.

x. Details of Loans and Advances as required u/s 186 of the Companies Act, 2013

The Company has not granted any loan or advances in nature of loans to directors, promoters, KMPs, and the Related Parties during the year either jointly or severally whether repayable on demand or without specifying any terms or period.

Annexure VI RESTATED STATEMENT OF CHANGES IN EQUITY

Equity Share Capital

(Amount in INR Lakhs)

Particulars	Amount
Balance as on 1st April, 2020	**152.22**
Changes during the year	-
Balance as on 31st March, 2021	**152.22**
Changes during the year	-
Balance as on 31st March, 2022	**152.22**
Changes during the year	1,522.20
Balance as on 31st March, 2023	**1,674.42**

Other Equity

(Amount in INR Lakhs)

Particulars	**Reserves and Surplus**		**Total**
	Retained earnings	**Securities premium**	
Balance as at 1st April, 2020	**1,704.71**	**-**	**1,704.71**
Profit for the year	827.28	-	827.28
Other comprehensive income for the year (Net of Tax)	-	-	-
Balance as at 31st March, 2021	**2,531.99**	**-**	**2,531.99**
Profit for the year	1,756.77	-	1,756.77
Other comprehensive income for the year (Net of Tax)	-	-	-
Balance as at 31st March, 2022	**4,288.76**	**-**	**4,288.76**
Profit for the year	1,874.62	-	1,874.62
Bonus issue	(1,522.20)	-	(1,522.20)
Other comprehensive income for the year (Net of Tax)	-	-	-
Balance as at 31st March, 2023	**4,641.18**	**-**	**4,641.18**

Note Y(A) - RATIO ANALYSIS Annexure 6

Sr No.	Ratios	Numerator	Denominator	As At 31st March 2023	As At 31st March 2022	As At 31st March 2021	As At 31st March 2020	Variance	Variance	Variance	Explanation for any change in ratio by more than 25% as compared to preceding year	Explanation for any change in ratio by more than 25% as compared to preceding year	Explanation for any change in ratio by more than 25% as compared to preceding year
											2023 and 2022	2022 and 2021	2021 and 2020
				A	B	C	D	A-B	B-C	C-D			
1	Current Ratio	Current Assets	Current Liabilities	2.05	1.56	1.23	0.00	31.49%	27.01%	#DIV/0!	Current Ratio improves due to reduction of trade payables	Current Ratio improves due to reduction of trade payables	Current ratio has detclined due to increase of trade payables level in FY 2020-21
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.75	0.72	1.21	1.35	4.73%	-40.25%	-10.76%	Not applicable	D/E Ratio has decresed due to profit of the Company resulting in to beeter equity	Not applicable
3	Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service	2.72	2.66	1.57	1.47	0.02	69.35%	6.64%	Not applicable	Increase in EBIDTA during the year has led to improvement in DSCR.	Not applicable
4	Return on Equity Ratio	NPAT less Pref Dividend	Shareholder's Equity	35.48%	49.10%	34.55%	19.74%	-27.74%	42.13%	75.05%	The projects taken are with low margin to remain in competition	Better awarding the project with good margin	The net sales of the Compnay was less compared to 2021
5	Inventory Turnover Ratio	COGS	Avg Inventory	18.59	24.02	11.22	7.31	-22.59%	114.13%	53.41%	Not applicable	Better inventory management and favourable market conditions led to improvement in ratio.	Better inventory management and favourable market conditions led to improvement in ratio.
6	Trade Receivables turnover ratio	Net Credit Sales	Avg Trade Receivables	18.96	13.60	10.93	14.38	0.39	24.44%	-24.00%	Not applicable	Not applicable	Not applicable

Sr No.	Ratios	Numerator	Denominator	As At 31st March 2023	As At 31st March 2022	As At 31st March 2021	As At 31st March 2020	Variance	Variance	Variance	Explanation for any change in ratio by more than 25% as compared to preceding year	Explanation for any change in ratio by more than 25% as compared to preceding year	Explanation for any change in ratio by more than 25% as compared to preceding year
7	Trade Payables turnover ratio	Net Credit Purchases	Avg Trade Payables	9.21	4.64	2.24	1.96	0.99	107.10%	14.16%	Not applicable	Not applicable	Not applicable
8	Net Capital turnover ratio(in %)	Net Sales	Avg Working Capital	7.52	11.16	9.76	5.66	-32.62%	14.36%	72.32%	The turnover has not increased compared to FY 2021-22 and the working capital funds was almost same	Not applicable	better turnover and efficient management of current asswets
9	Net Profit Ratio(in %)	NPAT	Net Sales	6.24	6.50	4.85	3.78	-3.95%	34.14%	28.19%	Not Applicable	Increase in cloume of business	Increase in cloume of business
10	Return on Capital Employed (in %)	EBIT	Capital Employed	35.41	42.23	30.66	26.42	-16.14%	37.71%	16.07%	Not applicable	Increase in cloume of business	Not applicable
11	Gross Profit Ratio(in %)	Gross Profit	Sales	27.54	29.62	30.67	30.41	-7.02%	-3.40%	0.84%	Not applicable	Not applicable	Not applicable

Annexure VII RESTATED EARNING PER SHARE:

(` in Lakhs)

Ratios	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Restated PAT as per P&L Account	1,874.62	1,756.77	827.28
Weighted Average Number of Equity Shares at the end of the Year/Period (Pre Bonus Issue)	20,64,082	20,64,082	20,64,082
Weighted Average Number of Equity Shares at the end of the Year/Period (Post Bonus Issue)	20,64,082	20,64,082	20,64,082
No. of equity shares at the end of the year/period (Pre Bonus Issue)	1,67,44,200	15,22,200	15,22,200
No. of equity shares at the end of the year/period (Post Bonus Issue)	1,67,44,200	15,22,200	15,22,200
Net Worth	6,316.07	4,441.47	2,684.70
EBDITA	3,865.68	3,201.28	1,832.82
Earnings Per Share			
Basic & Diluted EPS (pre Bonus)	90.82	85.11	40.08
Basic & Diluted EPS (post Bonus)	90.82	85.11	40.08
Return on Net Worth (%)	29.68	39.55	30.81
Net Asset Value Per Share (Rs) (Pre Bonus Issue)	37.72	291.78	176.37
Net Asset Value Per Share (Rs) (Post Bonus Issue)	37.72	291.78	176.37
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00

The face Value of share is considered Rs 10 in FY 2022 and FY 2021.

Notes :

1. Ratios have been calculated as below:

Basic and Diluted Earnings Per Share (EPS) (Rs.)	Restated Profit after Tax available to equity Shareholders
	Weighted Average Number of Equity Shares at the end of the year / period
Return on Net Worth (%)	Restated Profit after Tax available to equity Shareholders
	Restated Net Worth of Equity Shareholders
Net Asset Value per equity share (Rs.)	Restated Net Worth of Equity Shareholders
	Number of Equity Shares outstanding at the end of the year / period

Annexure VIII RELATED PARTY TRANSACTIONS

Key managerial Personnel

no	me of the person	signation
	Sanjay Mehta	Director
	Puneet Pal Singh	Director
	Krishnan Singh	Chief Financial Officer
	Arun Mathur	Company Secretary
	Ashley Mehta	Director
	Vikas Vaid (Director Upto January 9 ,2023	Director

(a) Close members of family of Key Managerial Personnel and / or their close member of family have control or significant influence with whom transactions have taken place during the year

Sr. No	Particulars
1	Sandip Mehta
2	Rajvee Mehta
3	Kavita Mehta

(b) Entities in which Key Managerial Personnel and / or their close member of family have control or significant influence with whom transactions have taken place during the year

Sr. No	Particulars
1	Trikuta Power Private Limited
2	ECI Engineers and SRM Projects (JV)
3	Kapahi SRM Projects (JV)
4	Sai SRM Projects (JV)
5	SRM-Rajinder Projects (JV)

(Rs. In Lakhs)

	Details of transaction		For the year ended on		
Sr. No	Name of Transaction	Relation	1.03.2023	ʻ1.03.2022	1.03.2021
1	**Directors Remuneration**				
	Sanjay Mehta	Director	60	60	60
	Punit Pal Singh	Director	48	0	0
	Vikas Vaid	Director	10	12	12
	Total		**118**	**72**	**72**
2	KMP Remuneration				
	Krishan Singh	KMP	4.96	4.9	2.97
	Arun Mathur	KMP	2.45	0	0
	Total		**7.41**	**4.9**	**2.97**
3	**Rent Expenses**				
	Ashley Mehta	ector	5.9	4.3	
4	**Reimbursement Expenses**				
	Sanjay Mehta	ector			
5	Capital Contribution in **JV**				
	ECI Engineers and SRM Projects (JV)	Entity in which the company is interested	9.1	17.61	11.32
	Kapahi SRM Projects (JV)	Entity in which the company is interested	0.42	0.19	0.55
	Sai SRM Projects (JV)	Entity in which the company is interested	95.9	222.69	230.75
	SRM-Rajinder Projects (JV)	Entity in which the company is interested	0	9.95	0
	Total		**105.42**	**250.44**	**242.62**
	Withdrawal from JV				
	ECI Engineers and SRM Projects (JV)	Entity in which the company is interested	0.02	114	0
	Kapahi SRM Projects (JV)	Entity in which the company is interested	0.71	0.94	0.6
	Sai SRM Projects (JV)	Entity in which the company is interested	0	12.04	272.92
	SRM-Rajinder Projects (JV)	Entity in which the company is interested	0		2.3
	Total		**0.73**	**126.98**	**275.82**
6	**Bonus Issue of shares**				
	Sanjay Mehta	ector	1521		
	Anil Kumar Sharma				
	Krishna Singh		0.6		
			0.6		
	Balance Outstanding				
	Sanjay Mehta				
	ECI Engineers and SRM Projects (JV)		75.44	59.46	87.66
	Kapahi SRM Projects (JV)		-22.72	16.14	14.41
	Sai SRM Projects (JV)		376.9	289.31	21.24

Sr. No	Details of transaction Name of Transaction	Relation	For the year ended on 1.03.2023	 1.03.2022	 1.03.2021
	SRM-Rajinder Projects (JV)		13.19	13.18	0.71
			442.81	**378.09**	**124.02**

Annexure IX : Statement of Tax Shelters

(` in Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit before tax as per books (A)	2,504.86	2,329.48	1,083.30
Normal Corporate Tax Rate (%)	25.17%	25.17%	25.17%
Normal Corporate Tax Rate (Other Source)(%)	26.00%	25.17%	26.00%
MAT Rates	15.06%	15.06%	15.06%
Tax at notional rate of profits	630.47	586.33	272.67
Adjustments :			
Permanent Differences(B)			
Expenses disallowed/Income disallowed under Income Tax Act, 1961			
Total Permanent Differences(B)	-	-	-
Income from Other Sources	-	-	-
Income from Capital Gain	-	-	-
Total Income considered separately (C)	-	-	-
Timing Differences (D)			
Difference between tax depreciation and book depreciation	(304.92)	(268.58)	12.83
Depreciation as per P & L A/c	780.80	616.45	516.83
Depreciation as per Income tax	1,085.72	885.03	504.00
Disallowance u/s 43B	-	-	-
Total Timing Differences (D)	**(304.92)**	**(268.58)**	**12.83**
Net Adjustments E = (B+D)	**(304.92)**	**(268.58)**	**12.83**
Tax expense / (saving) thereon	(76.75)	(67.60)	3.23
Long Term Capital Gain (F)	-	-	-
Interest on others	-	-	-
Income from Other Sources (G)	-	-	-
Loss of P.Y. Brought Forward & Adjusted(H)	-	-	
Brought Forward Business Loss	-	-	-
Brought Forward Capital Gain loss	-	-	-
Brought Forward Depreciation	-	-	-
Brought Forward MAT Credit	-	-	-
Taxable Income/(Loss) (A+E+F+G)	**2,199.94**	**2,060.90**	**1,096.13**
Taxable Income/(Loss) as per MAT	2,504.86	2,329.48	1,083.30
Disallowance as per MAT	-	-	-
Tax as per MAT	377.23	350.82	163.14
Tax as per Normal Calculation	553.73	518.73	275.90
Income Tax as returned/computed	553.73	518.73	275.90
Interest Payable	-	-	-
Tax paid as per normal or MAT	Normal	Normal	Normal

Annexure X Capitalisation Statement as at 31st March ,2023

(` in Lakhs)

Particulars	Pre Issue	Post Issue
Borrowings		
Long Term Borrowings	2,576.68	2,576.68
Short term Borrowings	2,139.14	
Total debts (C)	4,715.82	2,576.68
Shareholders' funds		
Equity share capital	1,674.40	[●]
Reserve and surplus - as restated	4,641.18	[●]
Total shareholders' funds	6,315.58	[●]
Long term debt / shareholders funds	0.34	[●]
Total debt / shareholders funds	0.75	[●]

NOTES TO RESTATED FINANCIAL INFORMATION

Note 1: Property, Plant and Equipment

(` in Lakhs)

Particulars	Computer and data processing units	Furniture & Fixtures	Plant & Machinery, Vehicles & office Equipments	Total
Gross Carrying Value as on April 01, 2020	**15.66**	**6.19**	**3,479.47**	**3,501.32**
Addition during the year	4.95	6.98	1,087.32	1,099.25
Deduction during the year	-	-	-	
Gross Carrying Value as on April 01, 2021	**20.61**	**13.17**	**4,566.79**	**4,600.57**
Addition during the year	1.75	1.34	585.12	588.21
Deduction during the year	-	-	34.16	34.16
Gross Carrying Value as on March 31, 2022	**22.36**	**14.51**	**5,117.75**	**5,154.62**
Addition during the year	7.71	23.36	1,848.11	1,879.18
Deduction during the year	-	1.02	88.00	89.02
Gross Carrying Value as on March 31, 2023	**30.07**	**36.85**	**6,877.86**	**6,944.79**
Accumulated depreciation and impairment as on March 31, 2021	**10.29**	**3.17**	**1,587.16**	**1,600.62**
Addition during the year	7.08	1.39	607.99	616.45
Deduction during the year	-	-	-	-
Accumulated depreciation and impairment as on March 31, 2022	**17.37**	**4.56**	**2,195.15**	**2,217.07**
Addition during the year	4.02	3.26	773.52	780.80
Deduction during the year	-	-	-	-
Accumulated depreciation and impairment as on March 31, 2023	**21.39**	**7.82**	**2,968.67**	**2,997.87**
Net Carrying Value as on March 31, 2021	**10.32**	**10.00**	**2,979.63**	**2,999.95**

Particulars	Computer and data processing units	Furniture & Fixtures	Plant & Machinery, Vehicles & office Equipments	Total
Net Carrying Value as on March 31, 2022	**4.99**	**9.95**	**2,922.60**	**2,937.55**
Net Carrying Value as on March 31, 2023	**8.68**	**29.03**	**3,909.20**	**3,946.92**

Note 2 : Investment Property

(` in Lakhs)

Particulars	Total
Gross Carrying Value as on April 01, 2020	**-**
Addition during the year	**164.11**
Deduction during the year	**-**
Gross Carrying Value as on March 31, 2021	**164.11**
Addition during the year	**-**
Deduction during the year	**18.47**
Gross Carrying Value as on March 31, 2022	**145.64**
Addition during the year	**33.76**
Deduction during the year	**-**
Gross Carrying Value as on March 31, 2023	**179.40**
Accumulated amortisation and Impairment as on April 01, 2020	**-**
Addition during the year	**-**
Deduction during the year	**-**
Accumulated amortisation and Impairment as on March 31, 2021	**-**
Addition during the year	**-**
Deduction during the year	**-**
Accumulated amortisation and Impairment as on March 31, 2022	**-**
Addition during the year	**-**
Deduction during the year	**-**
Accumulated amortisation and Impairment as on March 31, 2023	**-**
Net Carrying Value as on March 31, 2021	**164.11**
Net Carrying Value as on March 31, 2022	**145.64**
Net Carrying Value as on March 31, 2023	**179.40**

Note: Investment properties (including property under construction for such purposes) are properties held to earn rental income and/or for capital appreciation but not for sale in the normal course of business, or for the use in production or supply of goods or services or for administrative purposes. Investment properties are measured initially at cost.

Title deeds of Immovable Properties not held in name of the Company

Sr. No	Relevant line item in the balance sheet	Description of the property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
1	8 kanal in khasra No 358, Khewat no 48 ,and Khatra no 1324 Village Lamberi,	Land	8.9	Sanjay Mehta	Promoter	November 19,2018	Article 370 doesn't allow Company to hold any property in the Union Territory of Jammu & Kashmir

	Tehsil Nowshera, Dsit Jammu						
2	781.56 Sq.Ft Hall no 409 (A-2),at Bahu Plaza Complex, Jammu	Hall	42.05	Sanjay Mehta	Promoter	April 01,2015	Article 370 doesn't allow Company to hold any property in the Union Territory of Jammu & Kashmir
3	3049.17 Sq.Ft.Plot no 23, Sector No. 1-A, Chaani Himmat, Jammu	Building	105.18	Sanjay Mehta	Promoter	January 12,2023	Article 370 doesn't allow Company to hold any property in the Union Territory of Jammu & Kashmir
4	20 kanal in khasra No 792, Khewat no 470 and Khatra No 80 Village Ban, Tehsil : Nagrota, Dist Jammu	Land	23.27	Sanjay Mehta	Promoter	February 26,2015	Article 370 doesn't allow Company to hold any property in the Union Territory of Jammu & Kashmir
	TOTAL		**179.40**				

Note No: 3 INVENTORIES

(` in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2021
Work in Progress	1036.69	842.56	466.25
Total	**1,036.69**	**842.56**	**466.25**

Capital Work in Progress Ageing Schedule:

Particulars	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2021
Projects in Progress			
Less than a year	1036.69	842.56	466.25
1 year to 2 year			
2 year to 3 year			
More than 3 year			
Total (A)	1036.69	842.56	466.25
Projects temporarily suspended	0.00		
Total (B)	0.00	0.00	0.00
Total (A+B)	1036.69	842.56	466.25

For Capital Work in Progress, there is no completion is overdue or has exceeded its cost compared to its original plan.

Note No: 4 TRADE RECEIVABLES

(` in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2021
Trade Receivables -Considered Good - Unsecured	1537.93	1621.29	2254.03
Total	**1,537.93**	**1,621.29**	**2,254.03**

Ageing schedule of Trade Receivables:

(` in Lakhs)

As at March 31, 2023			
Due for 3 to 6 months	1406.65	1527.9	2212.2
Due for more than 6 months to 1 year	79.7	62.14	13.24
Due for more than 1 year to 2 years	51.58	31.25	28.58
Due for more than 2 to 3 years	-	-	-
Due for more than 3 years	-	-	-
Total	**1537.93**	**1621.29**	**2254.02**

Note No: 5 CASH AND CASH EQUIVALENTS

(` in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2021
a. Cash on Hand	64.71	59.54	0.86
b. Balance with Banks			
(i) in Current Accounts	1,137.16	774.01	705.31
Other			
Margin money having more than 3 Months Initial maturity but less than 12 months	-	-	-
Margin money having more than 12 Months Initial maturity	864.72	831.80	878.67
Total	**2,066.59**	**1,665.35**	**1,584.84**

Note No: 6 CURRENT FINANCIAL ASSETS- INVESTMENTS

(` In Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2021
Capital Investment in JV Projects	678.7	227.55	433.08
Unquoted investments			
Investment in Equity instruments:			
-At amortised cost			
Loran Valley Private Limited	-	-	-
(510 equity shares of Rs 100 each)			
Trikuta Power Projects Private Limited	0.28	0.28	0.28
(280 equity shares of Rs 100 each)			
Total	**678.98**	**227.83**	**433.36**

Note No: 7 CURRENT FINANCIAL ASSETS- LOANS

(` in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2021
Loans and Advances	439.98	109.36	109.45
Total	**439.98**	**109.36**	**109.45**

Note No: 8 CURRENT OTHER FINANCIAL ASSETS

(` in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2021
Security Deposit	2,851.23	2,772.35	2,178.00
GST	16.94	223.25	97.81
	-		
Other Deposits	188.52	144.87	109.47
TDS Receivabels (P.Y.)	201.44	845.03	832.99
TCS Receivable	-	-	12.04
TDS Receivables current year	568.95	481.69	-
Total	**3,827.08**	**4,467.19**	**3,230.31**

Note No: 9 OTHER CURRENT ASSETS

(` in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2021
Preliminary Expenses	22.61	4.82	4.65
Total	**22.61**	**4.82**	**4.65**

Note No: 11 OTHER EQUITY

(` in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2021
Retained Earnings	-		
A. Surplus			
Opening balance	4,288.76	2,531.99	1,704.71
(+) Net Profit/(Net Loss) For the current year	1,874.62	1,756.77	827.28
(-) Bonus issue Duirng the Year	1,522.20	-	-
Closing Balance (i)	**4,641.18**	**4,288.76**	**2,531.99**
B. Other Comprehensive Income:			
Opening balance	-	-	-
Add: Remeasurement of Defined benefit plans (including deferred tax)	-	-	-
Net Surplus in the statement of other comprehensive income (ii)	-	-	-
Total Retained Earnings (i + ii)	4,641.18	4,288.76	2,531.99
Total	**4,641.18**	**4,288.76**	**2,531.99**

Note No: 12 BORROWINGS

(` in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2021
Secured			
Non- Current Borrowings			
Term Loan			
from Banks	2283.87	1,448.27	1,767.53
From NBFC	311.93	474.07	343.79
Matuirity of term Loan	981.01	842.01	930.55
Balance	1614.79	1080.33	1180.77
Unsecured Loans			
Mobilization Advances^1	954.05	678.88	766.69
Loan from Relative of Directors^2	7.84	7.84	7.84

Particulars	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2021
Sub-Total (a)	**2576.68**	**1767.05**	**1955.30**
Current Borrowings	-		
Cash credit from Bank^3	705.85	241.36	14.21
Overdraft^3	452.28	301.98	295.69
Current Maturity of Long term Debts	981.01	842.01	930.55
Sub-Total (b)	**2,139.14**	**1,385.35**	**1,240.45**
Total	**4,715.82**	**3,152.40**	**3,195.75**

Notes :
The terms and conditions of the term loans are given in the seprate Schedule
^1The Mobilisation advances which is part of unsecured loans are received from the clients on receiving order and mostly tax free
^2 the unsecured loan from the relatives of the directors are interest free and repayable on Demand
^3secured against hypotheciation of stock and personal gaurantee of Directors and Equitable mortgage of land and building owned by directors.

Note No: 13 DEFERRED TAX ASETS/ LIABILITIES

(` in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2021
Deferred Tax (Assets) / Liabilities- Net			
-Due to Property, Plant & Equipment	151.23	74.49	16.13
Total	**151.23**	**74.49**	**16.13**

Note No: 14 Trade Payables

(` in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2021
Outstanding dues of creditors micro enterprises and small enterprises			
Less than 01 Years	13.54	-	-
01-02 Years	-	-	-
02-03 Years	-	-	-
More than 3 Years	-	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises			
Outstanding for Following Period from Due date			
Less than 01 Years	1,088.69	2,716.54	3,996.95
01-02 Years	13.26	3.59	222.73
02-03 Years	-	-	-
More than 3 Years	-	-	-
Total	**1,115.49**	**2,720.13**	**4,219.68**

Note No: 15 CURRENT PROVISIONS

(` In Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022	As at 31 st March 2021
Provision For Employee Benefits			
Employee benefits	3.46	2.65	0.83
Imprest to Directors	-	-	(31.68)
Wages Payable	139.56	264.57	202.82
Salary Payable	55.27	56.06	66.58
Provision for Income tax			
Provision for income tax (Current Year)	553.53	514.36	259.64
Provision for income tax (previous Year)	-	635.04	**396.01**
TDS/TCS Payable	18.62	10.09	53.61
Other Provisions			
Legal Charges Payable	-	0.40	0.40
Professional Fees Payable	1.44	0.65	0.50

Particulars	**As at 31 st March 2023**	**As at 31 st March 2022**	**As at 31 st March 2021**
GST Payable (Jammu)	28.93		
Audit fee Payable	**-**	-0.65	**0.45**
Total	**800.81**	**1483.17**	**949.16**

Note No: 16 Other Current Liabilities

(` In Lakhs)

Particular	**As at 31 st March 2023**	**As at 31 st March 2022**	**As at 31 st March 2021**
Security Deposit	636.09	149.25	181.53
Other Current Liabilities	0.68	0.68	-
Total	**636.77**	**149.93**	**181.53**

Note No: 10 EQUITY SHARE CAPITAL

Share Capital	As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	Number	Amt. Rs. In Lakhs	Number	Amt. Rs. In Lakhs	Number	Amt. Rs. In Lakhs
Authorised						
Equity Shares of Rs.10 each	25,000,000	2,500.00	-	-	-	-
Equity Shares of Rs.100 each	-	-	155,000	155.00	155,000	155.00
Issued						
Equity Shares of Rs.10 each	16,744,200	1,674.42	-	-	-	-
Equity Shares of Rs.100 each	-	-	152,220	152.22	152,220	152.22
Subscribed & Paid up						
Equity Shares of Rs.10 each fully paid up	16,744,200	1,674.42	-	-	-	-
Equity Shares of Rs.100 each	-	-	152,220	152.22	152,220	152.22
Total	**16,744,200**	**1,674.42**	**152,220**	**152.22**	**152,220**	**152.22**

RECONCILIATION OF NUMBER OF SHARES

Particulars	Equity Shares		Equity Shares		Equity Shares	
	Number	Amt. Rs. In Lakhs	Number	Amt. Rs. In Lakhs	Number	Amt. Rs. In Lakhs
*Shares outstanding at the beginning of the year	1,522,200	152.20	152,220	152.22	152,220	152.22
Bonus Shares Issued during the year	15,222,000	1,522.20	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	16,744,200	1,674.40	152,220	152.22	152,220	152.22

The Face value of share is considered Rs 10 instead of Rs 100 in the beginning of the year
The company has issued bonus share as on March 18,2023 at ratio of 10 share for every 1 share held by shareholder.

The Company has only one class of equity shares having a per value of Rs. 10/- Per Share is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares by the shareholders.

Details of Shares held by shareholders holding more than 5% of the aggregate shares in the co.

Name of Shareholder	As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sanjay Mehta	16,731,000.00	99.92%	152,100.00	99.92%	152,100.00	99.92%
		0.00%		0.00%	-	0.00%

Shareholding of Promoters:

Shares held by promoters at the end of the year	As at 31.03.2023		% Change during the year
Name Of Promoters	No. of shares	% of holding	
Sanjay Mehta	16,731,000	99.92%	99.92%
	-	0.00%	0.00%
TOTAL	**16,744,200**	**99.92%**	**99.92%**

Note No: 17 REVENUE FROM OPERATIONS

(` In Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Contract Receipts	30029.08	26361.14	16005.89
Total	**30,029.08**	**26,361.14**	**16,005.89**

Note No: 18 OTHER INCOME

(` In Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest on FDR	62.77	58.44	61.66
Discount	0.08	-	0.11
Capital gain on Transfer of Land	14.73	-	-
Sundry W/off	0.17	0.74	19.85
Profit from JV/LLP/firm			
Share of Profit from SRM Green Earth (JV)	-	-	0.38
Share Of Profit ECI SRM	6.90	68.20	71.61
Share Of Profit SRM-Rajinder	(1.73)	2.51	1.13
Share Of Profit Kapahoi-SRM	(38.59)	2.48	3.02
Share of profit from Sai SRM	(8.32)	57.37	31.09
Total	**36.01**	**189.74**	**188.85**

Note No: 19 COST OF MATERIAL CONSUMED

(` In lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Opening Stock	842.56	466.25	1,205.09
Add : Purchases			
Domestic	10,387.11	9,078.46	5,219.34
Contract Expenses	7,278.38	7,016.02	3,415.55
GST on Receipts	4,286.48	2,833.66	1,723.41
Less Closing Stock	**1036.69**	842.56	466.25
Total Material Consumed	**21,757.84**	**18,551.83**	**11,097.14**

Note No: 20 EMPLOYEE BENEFITS EXPENSES

(` in Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries and Wages	1,004.94	792.13	602.06
Managerial Remuneration	108.00	71.46	82.92
Staff welfare	1.83	-	0.11
Employee PF and ESI	17.21	11.27	7.23
Total	**1,131.98**	**874.86**	**692.32**

Note No: 21 FINANCE COST

(` In Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Bank Guarantee Charges	336.46	42.97	50.01
Interest on Term Loan	164.81	170.08	126.37
Bank Charges	7.05	1.39	14.59
Interest ON working capital loan	71.70	40.91	41.73
Total	**580.02**	**255.35**	**232.70**

Note No: 22 DEPRECIATION AND AMORTISATION

(` in Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation Exp	780.80	616.45	516.82
Total	**780.80**	**616.45**	**516.82**

Note No: 23 OTHER EXPENSES

(` in Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Audit Fee	-	-	**0.45**
Business Promotion	-	0.09	1.02
Computer Maintenance	0.27	1.30	0.72
Consumable Items	72.05	-	-
Carriage	-	-	181.51
Donation	17.05	1.80	1.81
Fees	0.37	-	-
Freight And Toll Tax	241.36	7.73	6.88
Festival Expenses	-	0.32	-
Insurance	26.16	35.54	39.13
Hire Charges	-	-	60.54
Interest on TDS	0.50	5.06	11.57
Labour Cess	125.71	156.12	155.03
Legal Expenses	-	-	0.50
Mess Expenses	56.92	48.02	16.69

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Medical Expenses	0.05	-	0.36
Misc. Expenses	16.30	23.93	2.33
Newspaper & Periodicals	-	-	0.20
Oil & Lubricants	2,445.47	2,773.02	1,321.88
Preliminary Expenses W/off	-	-	0.04
Processing Fees	-	-	1.65
Printing & Stationery	1.03	3.74	2.34
Professional Fees	83.57	55.95	101.41
Pollution fees	-	-	1.42
Rent	9.76	8.93	5.80
Royalty	14.30	7.31	0.95
Repairs and maintt.	7.86	-	20.89
Software Update Charges	-	-	0.24
Staff accommodation	24.20	69.83	-
Telephone Expenses	3.42	0.60	0.75
Tender Document Fees	-	17.29	1.18
Testing Charges	-	9.54	6.00
Travelling & Conveyance	21.62	14.03	12.53
Water charges/ELECTRICITY	11.74	12.33	6.12
Wages/Labour	84.94	10.56	221.12
SUNDRY W/OFF	0.06	-	-
Machinery repairs & Maintenance	44.88	659.89	389.39
Total	**3,309.59**	**3,922.91**	**2,572.46**

Note No: 24 TAX EXPENSE

(` in Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Current Tax			
In respect of Current Year	553.50	514.35	259.64
Adjustment relating to earlier years	-	-	-
Deferred Tax			
Deferred Tax charge / (credit) for the year	76.74	58.36	(3.62)
Total	**630.24**	**572.71**	**256.02**

Note No: 25 CONTINGENT LIABILITIES

(` In Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Bank Guarantee issued by HDFC Limited	5,623.29	3,714.60	3,403.85
Bank guarantee issued by Jammu and Kashmir Bank Limited	562.00	477.94	377.79

Note No : 26 First time adoption of Ind AS

Reconciliation of total equity as at March 31, 2022 and April 01, 2021

(` in Lakhs)

Sr no.	Particulars	As at March 31, 2022	As at April 01, 2021
I	**Total equity (shareholder's funds) under previous GAAP**		
	Total equity (shareholder's funds) under previous GAAP	4,462.51	2,632.47
	Adjustments, if any	-	-
	Deferred Tax Liability adjustment	116.72	
	Adjusted Total Equity	4,345.79	2,632.47
II	**Ind AS Adjustments:**		
_	Gratuity impact as per valuation	-	-
	Expected credit allowance on trade receivables	-	-
	Depreciation on property, plant & equipment and intangible assets	-	-
	Fair value of investment in mutual fund	-	-
	Pre-incorporation, pre-operative & preliminary expenses	-	-
	Depreciation and interest on ROU asset and lease liability	-	-
	Creation of capital reserve on account of business combination	-	-
	Adjustments for equity pertaining to erstwhile owners / partners in business combinations under common control	-	-
	Deferred tax impact	-	-
	Total	-	-
III	**Total Equity under Ind AS (I+II)**	**4,345.79**	**2,632.47**

Note No : 27Reconciliation of total equity as at March 31, 2021 and April 01, 2020

(` in Lakhs)

Sr no.	Particulars	As at March 31, 2021	As at April 01, 2020
I	**Total equity (shareholder's funds) under previous GAAP**		
	Total equity (shareholder's funds) under previous GAAP	2,480.25	1,704.36
	Adjustments, if any	-	-
	Adjusted Total Equity	2,480.25	1,704.36
II	**Ind AS Adjustments:**		
_	Gratuity impact as per valuation	-	-
	Expected credit allowance on trade receivables	-	-
	Depreciation on property, plant & equipment and intangible assets	-	-
	Fair value of investment in mutual fund	-	-
	Pre-incorporation, pre-operative & preliminary expenses	-	-
	Depreciation and interest on ROU asset and lease liability	-	-
	Creation of capital reserve on account of business combination	-	-
	Adjustments for equity pertaining to erstwhile owners / partners in business combinations under common control	-	-
	Deferred tax impact	-	-
	Total	-	-
III	**Total Equity under Ind AS (I+II)**	**2,480.25**	**1,704.36**

Note No: 28 Reconciliation of total comprehensive income for the year ended March 31, 2022 and April 01, 2021

(` In Lakhs)

Sr no.	Particulars	As at March 31, 2022	As at April 01, 2021
I	**Profit after tax as per previous GAAP**		
	Profit after tax as per previous GAAP	1,830.04	775.54
	Total profit after tax as per previous GAAP	1,830.04	775.54
	Adjustments, if any	-	-
	Adjusted Profit after tax	1,830.04	775.54
II	**Ind AS Adjustments:**		
_	Gratuity impact as per valuation	-	-
	Expected credit allowance on trade receivables	-	-
	Depreciation on property, plant & equipment and intangible assets	-	-
	Fair value of investment in mutual fund	-	-
	Pre-incorporation, pre-operative & preliminary expenses	-	-
	Depreciation and interest on ROU asset and lease liability	-	-
	Creation of capital reserve on account of business combination	-	-
	Adjustments for equity pertaining to erstwhile owners / partners in business combinations under common control	-	-
	Deferred tax impact	-	-
	Total adjustments to profit & loss	-	-
III	**Profit after tax under Ind AS (I+II)**	**1,830.04**	**775.54**
IV	**Other Comprehensive Income**		
	Remeasurement of defined benefit plans	-	-
	Deferred tax impact	-	-
	Total adjustment to other comprehensive income	-	-
	Total comprehensive income under Ind AS (III+IV)	**1,830.04**	**775.54**

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

Note 29 - Financial risk management

i. Category-Wise Classification Of Financial Instruments

(` in Lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2021
(A) Financial assets measured at amortised cost			
Trade Receivables	1,537.93	1,621.29	2,254.03
Cash & cash equivalents	2,066.59	1,665.35	1,584.84
Investments	678.98	227.83	433.36
Loans	439.98	109.36	109.45
Other Financial assets	3,827.08	4,467.19	3,230.31
	8,550.56	**8,091.02**	**7,611.99**
(B) Financial liabilities measured at amortised cost			
Borrowings	4,715.82	3,152.40	3,195.75
Trade Payables	1,115.49	2,720.13	4,219.68
TOTAL	**5,831.31**	**5,872.53**	**7,415.43**

ii. Measurement of fair value:

Valuation techniques and significant unobservable inputs:

(a) Financial instrument measured at amortized cost:

The carrying amount of financial assets and financial liability measured at amortized cost in the consolidated financial statements are a reasonable approximation of their fair value since the Company does not anticipate that the carrying amounts would be significantly different from the value that would eventually be received or settled.

OTHER FINANCIAL INFORMATION

The audited consolidated financial statements of our Company as at and for the years ended March 31, 2021, March 31, 2022 and March 31, 2023, together with all the annexures, schedules and notes thereto ("**Financial Statements**") are available at www.srmcpl.com. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations.

The Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) red herring prospectus (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Financial Statements should not be considered as part of information that any investor should consider in order to subscribe for or purchase any securities of our Company, its Subsidiaries, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Financial Statements, or the opinions expressed therein.

The details of accounting ratios derived from Restated Financial Information required to be disclosed under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are set forth below:

RESTATED EARNING PER SHARE: **(₹ in Lakhs)**

Ratios	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Restated PAT as per P&L Account	1,874.62	1,756.77	827.28
Weighted Average Number of Equity Shares at the end of the Year/Period (Pre-Bonus Issue)	20,64,082	20,64,082	20,64,082
Weighted Average Number of Equity Shares at the end of the Year/Period (Post Bonus Issue)	20,64,082	20,64,082	20,64,082
No. of equity shares at the end of the year/period (Pre-Bonus Issue)	1,67,44,200	15,22,200	15,22,200
No. of equity shares at the end of the year/period (Post Bonus Issue)	1,67,44,200	15,22,200	15,22,200
Net Worth	6,316.07	4,441.47	2,684.70
EBDITA	3,865.68	3,201.28	1,832.82
Earnings Per Share			
Basic & Diluted EPS (pre Bonus)	90.82	85.11	40.08
Basic & Diluted EPS (post Bonus)	90.82	85.11	40.08
Return on Net Worth (%)	29.68	39.55	30.81
Net Asset Value Per Share (Rs) (Pre-Bonus Issue)	37.72	291.78	176.37
Net Asset Value Per Share (Rs) (Post Bonus Issue)	37.72	291.78	176.37
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00

The ratios have been computed as under:

1. *Return on Net Worth (%) = Net Profit after tax, as restated for the end of the year divided by Net worth as at the end of the year.*
2. *Basic EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year*
3. *Diluted EPS = Net Profit after tax, as restated, attributable to equity shareholders divided by weighted average no. of diluted equity shares outstanding during the year*
4. *The Equity shares and basic/diluted earnings per share has been presented to reflect the adjustments of bonus shares* issued during the financial year ended March 31, 2023 *in accordance with Ind AS 33-Earning per share.*
5. *Net Asset Value per share = Net Worth (total equity) at the end of the year divided by weighted average no. of equity shares outstanding at the end of the year*
6. *EBITDA: Aggregate of restated profit/(loss) before tax, finance cost, depreciation and amortization*

8. EBITDA Margin = EBITDA divided by total income

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2023 derived from our Restated Financial Information, and as adjusted for the Issue. This table should be read in conjunction with "***Risk Factors***", "***Restated Financial Information***" and "***Management Discussion and Analysis of Financial Position Results of Operations***", on pages 32 225, and 273 respectively

Particulars	Pre Issue as at March 31, 2023	Post Issue*
Borrowings		
Long Term Borrowings	2,576.68	[●]
Short term Borrowings	2,139.14	[●]
Total debts (C)	4,715.82	[●]
Shareholders' funds		
Equity share capital	1,674.40	[●]
Reserve and surplus - as restated	4,641.18	[●]
Total shareholders' funds	6,315.58	[●]
Long term debt / shareholders funds	0.34	[●]
Total debt / shareholders funds	0.75	[●]

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

** The corresponding post-Issue capitalization data is not determinable at this stage pending the completion of the Book Building process and hence have not been furnished. To be updated upon finalization of the Issue price.*

FINANCIAL INDEBTEDNESS

Pursuant to our Articles of Association, subject to applicable laws and pursuant to the resolution passed by the shareholders of our Company on March 23, 2023, our Board has been authorized to borrow sums of money with or without security, up to an amount of ₹20,000 lakhs.

Our Company avails loans in the ordinary course of our businesses and for funding working capital and capital expenditure requirements. Accordingly, our Company has entered into several types of financing facilities of varying terms and tenures from lenders. Details of the outstanding financial facility, as on August 31, 2023 are detailed as below;

A. Financial Facility from HDFC Bank Limited

Name of the Lender	Credit Facility	Sanctioned Amount (Rs. in Lakhs)	Outstanding Amount as on August 31st, 2023 (Rs. in Lakhs)	Interest Rate per Annum (floating rate) (in %)	BG / LC Commission (in %)	Combined Security
HDFC Bank Limited [*Charge ID: 100314997*]	Bank Guarantee (Performance)	7550.00	5993.90	-	**1%**	**Primary** Books Debts, Stock , Fixed Deposit **Collateral** Personal Guarantee of the promoters and all collateral owners Property Plot of Land, Measuring 6 Marlaskhewat No 40, Situated At Revenue Village Thathar under Khasra No 208 Min, Khata. No 299 Min / 289180015 revenue Village Thathar Residential Property Plot No 1, Sector No 4, Measuring 50*100 jammu situated At Channi Himmat, Housing Colony 180015 jammu Property Land Measuring 8 Marlas, Under khasra No 338 Min Situated At Kerankhasra No 1, Khata No 52/55 Min,180015 keran Commercial Khasra No 436 Old,15 Marlas 18 Sqft1 Min (New), Khewat 141 Khata No 199 Min Channi Rama 180015 channi Rama Commercial Khasra No 710,710/13 Kanal 10 Marlas 7 Sarsai, Khewat No 2,Khata No 176/176 Alpha Gate , Muradpur Rajouri 185131 rajouri, Jammu Poonch Highway
	Cash Credit	700.00	318.50	8.9	-	

Name of the Lender	Credit Facility	Sanctioned Amount (Rs. in Lakhs)	Outstanding Amount as on August 31st, 2023 (Rs. in Lakhs)	Interest Rate per Annum (floating rate) (in %)	BG / LC Commission (in %)	Combined Security
						Residential Property Plot No 205, Roop Nagar sector No 4, Measuring 60*90 JDA Housing 180015 JDA Housing Residential Plot Plot of Land opposit Roop Nagar bearing No 54 At Sector No 2 EWS Colony 180015 EWS Colony Commercial Land Measuring /176 Khasra No. 710.710/1 at Village Muradpur Tehsil Rajouri 03, Kanals 10 Marlas 4 1/2 Sarsai Underlying Khata No. 176 Khewat No. 2 Situated 185158 NA Vacant Land Plot Of 4 Kanalsat Amrnu Rajouri, Main Highway Situated At Dologra (Rajouri). Underlying, Khasra No. 171, Khewat No.104, 210, Khata No. 1315, 834/842 185158 dalogra Residential Flat Three Bed Room flat No Bearing 501, Comprised In Block-E Situated In Sunjwan falling On 5th Floor Of Shanti Kunj Apartment 180015 Sunjwan Residential Property Flat No. 401,Shanti Kunj sunjwan, Jammu apartments, Block E, 4""N Floor 180015 NA Vacant Land Khewalt No 12 ND 732 Kanal 14 MARLA Village, Chowadi khasra no 904180015 Chowadi Residential Plot No 130 PHASE 1180015 Tawi vihar.

*As Certified by our Stautory Auditor vide certificate dated September 25, 2023.

Brief details of certain Terms and Conditions:

- **Interest Levy:** 18.00% p.a. on overdue/ delays/ defaults of any monies payable

- **Additional Interest levy**: 2% p.a. additional interest levy over existing rate of interest on account of;
  1. Maintaining Current Account with Other Bank while facility is granted under Sole Banking(applicable where specific permission is not taken by the customer).

2. Deterioration in account conduct.

- **Penal Interest levy:** 2% p.a. Penal interest levy over existing rate of interest for
  1. Non-submission of documents for renewal of credit facilities.
  2. Non submission of Stock statement.
  3. Non-compliance in documentation for the credit facility.

- **Declaration/Undertaking**
  1. No Dividend to be declared/ no withdrawal in form of salary/ remuneration/ incentive/ commission by the promoters/ directors in case of overdues with bank.
  2. Unsecured Loans will be converted into Equity as and when required to maintain a positive tangible Net Worth.
  3. Borrower is required to ensure the satisfaction of Charge in CERSAI registry on collateral offered as security prior to release of facility and in case of take over from any other financial institution/ Bank. Borrower to share relevant transaction and assets ids to HDFC Bank.

- **Other standard terms & conditions:**
  1. Limits are reset on the basis of DP every month and there will be no separate intimation on the same
  2. Credit facilities are payables on demand and are subject to annual renewal. Renewal documents are to be submitted 60 days prior to expiry of the limit as mentioned in the facility detailed above. Bank reserves the right to charge an additional 2% interest rate on the outstanding amount in case the documents are not submitted within the due date. This would be over and above any additional charge, if any, that any have been levied to the customer.
  3. Borrower is liable to be charged 4% of the total limits sanctioned in case the facilities are taken over by another Bank during the tenor of the loan. For Term Loans it it would be charged on Principal Outstanding as on date.

- **Margin**

  For BGs to be issued, margins to be considered as follows:
  1. 20% margin for BGs with tenure upto 3 years.
  2. 25% margin for BGs with tenure ranging from 3-5 years.
  3. 30% margin for BGs with tenure beyond 5 years.

  For BGs with onerous / auto renewal clause / against disputed contracts, 100% cash margins to be ensured

B. Financial Facility from Jammu and Kashmir Bank Limited

Name of the Lender	Credit Facility	Sanctioned Amount (Rs. in Lakhs)	Outstanding Amount as on August 31st 2023 (Rs. in Lakhs)	Interest Rate per Annum (in %)	BG / LC Commission (in %)	Combined Security
Jammu and Kashmir Bank Limited [*Charge Id: 10504396 & 10445418*]	Secured Over Draft	300.00	286.26	RLLR+2.25%	-	**Primary** Hypothecation of Stock of construction material present and fresh to be purchased including WIP Assignment of Book Debts and receivables Hypothecation of all movable fixed assets of the company **Collateral** Equitable mortgage of land standing in the
	Bank Guarantee	900.00	781.01	-	As per latest guidelines of the Bank	

Name of the Lender	Credit Facility	Sanctioned Amount (Rs. in Lakhs)	Outstanding Amount as on August 31st 2023 (Rs. in Lakhs)	Interest Rate per Annum (in %)	BG / LC Commission (in %)	Combined Security
						name of Dr, Kavita Sharma measuring 2 kanals 14 marlas in Khasra no 904 khewat no 12 & Khata no 73 min situated at village chowadi Tehsil & Dist Jammu, Equitable mortgage of 20 Kanals of land standing in the name of Mr. Sanjay Mehta bearing khasra no 771/1, Khewat no 80 and Khata no 470 min situated at village ban Tehsil & Dist Jammu. Equitable Mortgage of land measuring 20 kanal comprising Khasra No-771/1, Khewat No-80 & Khata No-470 Min situated at Vill. Ban, Jammu situated at Vill. Ban, Jammu in the name of Mrs. Rajinder Kour. Equitable Mortgage of land measuring 01 Kanal 09 Marlas comprising Khasra No-499, Khewat No-58 & Khata No-214 Min situated at Batote, Ramban in the name of Mr. Sanjay Mehta. Equitable Mortgage of land measuring 4 Kanals 13 Marlas (local) equivalent to 3 Kanals (Standard) in Khasra No-682 Min 1, Khewat No-39 Min & Khata No-205 Min Personal Guarantee of Sanjay Mehta & Sudhir Mehta, Directors of the Company and Third party guarantee of mortgagors namely Dr. Kavita Sharma & Mr. Manish Arora.

*As Certified by our Stautory Auditor vide certificate dated September 25, 2023.

Brief details of certain Terms and Conditions:

1. Company / promoters to undertake that unsecured shall remain subservient to bank's finance and shall not withdraw till currency of the bank loan.
2. Party to submit all joint ventures Agreement executed by the borrower.
3. The party shall provide a No Due Certificate from the concerned Sales Tax / Excise Department.
4. The Party to undertake that all statutory dues, taxes and other charges shall be paid on time.
5. Party to submit all the NOCs / licenses / approvals required for operations of the borrower are legally valid and in force.
6. Annual Stock Audit (Including book debts) shall be conducted by the bank and all costs / fees of such audit shall be borne by the borrower as per approved charges scheduled of the bank.

Margin

1. 100% margin to be obtained in case of BG against disputed liability

C. Financial Facility from ICICI Bank Limited

Name of the Lender	Credit Facility	Sanctioned Amount (Rs. in Lakhs)	Outstanding Amount as on August 31st, 2023 (Rs. in Lakhs)	Interest Rate per Annum (in %)	BG / LC Commission	Combined Security
ICICI Bank Limited* Charge Id: 100572560	Over Draft (Working Capital)	100.00	54.93	The Rtae will be sum of I-MCLR-6M and "Spread" per annum As on date the I-MCLR-^M is 8.70% and spread is 0.80%	-	Plot No.13 , Phase 1 Tawi Vihar Colony Sidhra ,, Jammu , India , 180002
	Bank Guarantee (Financial and Performance)	900.00	-	-	1.%	House No 194 A/D Part B , Gandhi Nagar , , Opposite Green Belt Park , Jammu , Jammu and Kashmir , India , 180002

*As Certified by our Stautory Auditor vide certificate dated September 25, 2023.

Brief details of certain Terms and Conditions:

- **Interest Servicing**: The rate of interest stipulated by ICICI Bank shall be sum of I-MCLR-6M and Spread per annum, subject to a minimum of I-MCLR-6M, plus applicable statutory levy, if any, on the principal amount of the loan remains outstanding each day. As on date of the sanction, the I-MCLR-6M is 8.70 % and spread is 0.80%.

- **Special Condition:**
  1. BG Shall be utilized for newly awarded work orders/Contractors to the Company.
  2. Cash flow from orders in which ICICI Bank BG is issued to be rounded through ICICI Bank.

- **Other :** Guarantee covering disputed liabilities-100 %
  1. 20% margin for BGs with tenure up to 3 years
  2. 25% margin for BGs with tenure ranging from 3-5 years
  3. 30% margin for BGs with tenure beyond 5 years

  No BG will be issued on behalf of third party / real estate projects.

Standard Terms & Conditions:

1. ICICI Bank in consultation with the Borrower, will arrange for Stock and Receivables audit. The terms of reference will be finalized by ICICI bank, at its sole discretion.
2. ICICI Bank shall be entitled to have all the assets offered as security, valued by one or more appraisers appointed by ICICI Bank, at the cost of borrower and borrower shall ensure that requires assistance is provided to such appraiser.
3. Interest or any other obligations towards unsecured loans will be subservient to payment of interest / Principal or any other liabilities towards ICICI Bank Limited
4. Borrower shall ensure that total working capital bank finance will not exceed assessed MPBF limits of Rs. 110 million.
5. Partners / Directors remuneration payable will be subservient to the interest payable to ICICI Bank Ltd.
6. Borrower shall ensure that adjusted tangible Net Worth Shall be maintained at minimum of Rs. 424.2 million during the currency of the ICICI Bank loan wherein adjusted Tangible Net Worth shall be defined as " Share Capital + Reserves & Surplus + Unsecured loans subordinated intangible assets – advance / investment to group company.

D. *Financial Facility from YES Bank Limited*

Name of the Lender	Credit Facility	Sanctioned Amount (Rs. in Lakhs)	Outstanding Amount as on August 31st, 2023 (Rs. in Lakhs)	Interest Rate per Annum	BG / LC Commission	Combined Security
YES Bank Limited	Bank Guarantee (Performance)	2,300.00	-	-	0.80%	Pari passu Charge by way of
[Charge Id: 100726397]	Cash Credit	190.00	48.26	Effective Rate of Interest (ROI) is 9.50% p.a. which is 3.00% (Spread / Markup) over and above the External Benchmark Lending Rate	-	Hypothecation on current assets stock & book debts both present and future along with HDFC and ICICI Bank
	Term Loan	10.00	-	Effective Rate of Interest (ROI) is 9.85% p.a. which is 3.35% (Spread / Markup) over and above the External Benchmark Lending Rate	-	Unconditional and irrevocable personal guarantee of Sanjay Mehta and Puneet pal Singh to remain vaild till the tenor of the facility. Exclusive Charge by way the equitable / registered mortgage of property situated at Residential plot no 23 sector 1A housing colony channi Himmat Jammu, Jammu and Kashmir 18000

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Brief details of certain Terms and Conditions:
1. For the purpose of inspection of stock, quality check of the gold stock, verification of insurance cover etc. Customers to provide CA Certificate/ Valuation Certificate on periodic basis yearly.
2. Management certified Net Worth statement of the borrower and PG providers to be placed prior to disbursement.
3. Collateral coverage to be maintained at 50% (Including cash margin) else proportionate disbursement to be done alternatively for the deficit cover, cash margin at 50% to be deposited against the shortfall coverage. YBL Coverage not be inferior w.r.t to other banks.
4. Declaration to be obtained from borrower (to be part of FL) for the following: Others
   - ATNW to be maintained at 720.38 MM for FY 23
   - Non withdrawal of capital including USL

Margin
1. 20% margin for BGs with tenure up to 3 years
2. 25% margin for BGs with tenure ranging from 3-5 years
3. 30% margin for BGs with tenure beyond 5 years

E. Details of other financial facility availed by the Company for purchase of equipment and vehicles

As on August 31, 2023, listed below are the details of outstanding other financial facility availed by the Company for purchase of equipment and vehicles:

Sn	Name of the Lender	Credit Facility	Sanctioned Amount	Outstanding as on August 31, 2023	Interest Rate (%)	EMI (In Rs.)	Purpose for which loan has been used
1	Kotak Mahindra Bank Limited	Commercial Equipment	47.70	46.31	9.35%	1,55,700	Plant and Machinery
2	Kotak Mahindra Bank Limited	Commercial Equipment	105.38	102.36	10.00%	34,4,250	Plant and Machinery
3	HDFC Bank Limited	Commercial Equipment	97.98	95.68	9.2 %	3,04,264	Plant and Machinery
4	HDFC Bank Limited	Commercial Equipment	7.87	7.51	8.5%	24,687	Plant and Machinery
5	ICICI Bank Limited	Commercial Equipment	69.16	38.73	8.76 %	2,19,050	Plant and Machinery
6	HDFC Bank Limited	Commercial Equipment	461.51	419.95	8.50%	1,624,444	Plant and Machinery
7	HDFC Bank Limited	Commercial Equipment	229.71	195.68	8.40%	9,18,840	Plant and Machinery
8	ICICI Bank Limited	Commercial Equipment	76.62	59.72	7.90%	1,86,856	Plant and Machinery
9	ICICI Bank Limited	Commercial Equipment	54.50	48.55	8.30%	1,11,469	Plant and Machinery
10	HDFC Bank Limited	Commercial Equipment	65.47	53.25	8.50 %	1,63,557	Plant and Machinery
11	TATA Capital Financial Services Limited	Commercial Equipment	21.88	9.52	9.5 %	1,24,512	Plant and Machinery
12	TATA Capital Financial Services Limited	Commercial Equipment	178.12	28.08	9.5 %	1481853	Plant and Machinery
13	HDFC Bank Limited	Commercial Equipment	56.15	42.29	9.20 %	139000	Plant and Machinery
14	HDFC Bank Limited	Motor Vehicle	10.00	8.79	7.60 %	22094	Plant and Machinery
15	HDFC Bank	Motor	62.08	36.67	7.09 %	186200	Plant and

Sn	Name of the Lender	Credit Facility	Sanctioned Amount	Outstanding as on August 31, 2023	Interest Rate (%)	EMI (In Rs.)	Purpose for which loan has been used
	Limited	Vehicle					Machinery
16	HDFC Bank Limited	Motor Vehicle	28.62	17.00	7.05 %	86300	Plant and Machinery
17	ICICI BANK LIMITED	Commercial Equipment	19.00	9.48	7.25 %	58837	Plant and Machinery
18	TATA Capital Financial Services Limited	Term Loan	75.55	75.55	9.0%	56663	Plant and Machinery
19	HDFC Bank Limited	Commercial Equipment	29.50	15.15	7.09 %	89000	Plant and Machinery
20	TATA Capital Financial Services Limited	Commercial Equipment	136.38	55.86	8.22 %	450587	Plant and Machinery
21	HDFC Bank Limited	Commercial Vehicle / Equipment	98.72	27.66	9.07 %	241945	Plant and Machinery
22	ICICI BANK LIMITED	Commercial Equipment	40.00	13.23	8.00 %	125125	Plant and Machinery
23	HDFC Bank Limited	Commercial Equipment	90.59	19.85	8.05 %	291250	Plant and Machinery
24	AXIS Bank Limited	Motor Vehicle	99.54	41.44	8.95 %	246529	Plant and Machinery
25	HDFC Bank Limited	Commercial Equipment	29.00	5.48	8.28 %	93550	Plant and Machinery
26	ICICI BANK LIMITED	Commercial Equipment	300.00	54.89	7.7 %	935547	Plant and Machinery
27	TATA Capital Financial Services Limited	Commercial Vehicle / Equipment	61.75	12.25	10.53 %	210416	Plant and Machinery
28	AXIS Bank Limited	Motor Vehicle	21.27	8.40	8.80 %	52717	Plant and Machinery
29	TATA Capital Financial Services Limited	Commercial Vehicle / Equipment	44.02	15.25	10.19%	116003	Plant and Machinery
30	TATA Capital Financial Services Limited	Commercial Vehicle / Equipment COVID LOAN	30.59	13.05	10.5%	99412	Plant and Machinery
31	AXIS Bank Limited	Motor Vehicle	89.67	22.92	9.0%	225520	Plant and Machinery
32	TATA Capital Financial Services Limited	Commercial Vehicle / Equipment	90.85	21.47	11.78 %	250451	Plant and Machinery
33	HDFC Bank Limited	Commercial Vehicle / Equipment	79.67	1.23	8.78 %	258700	Plant and Machinery
34	HDFC Bank Limited	Commercial Vehicle / Equipment	365.00	69.88	8.95%	916700	Plant and Machinery
35	AXIS Bank Limited	Commercial Vehicle /	28.15	5.21	9.15%	58642	Plant and Machinery

Sn	Name of the Lender	Credit Facility	Sanctioned Amount	Outstanding as on August 31, 2023	Interest Rate (%)	EMI (In Rs.)	Purpose for which loan has been used
		Equipment					
36	AXIS Bank Limited	Commercial Vehicle / Equipment	112.81	5.24	9.15%	329497	Plant and Machinery
	TOTAL			**1,703.58**			

*As Certified by our Stautory Auditor vide certificate dated September 25, 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Information which have been included in this Draft Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Financial Statement for Financial Years ended March 31, 2023, 2022 and 2021 including the related notes and reports, included in this Draft Red Herring Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the respective period and years. Accordingly, the degree to which our Restated Financial Information will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.

*Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statements included in this Draft Red Herring Prospectus. For further information, see "**Restated Financial Statement**" on page 225. Additionally, see "**Definitions and Abbreviations**" on page 1 for certain terms used in this section. Unless the context otherwise requires, in this section, references to "we", "**us**" and "**our**" "**our Company**" or "**the Company**" refer to SRM Contractors Limited.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "**Industry Report on Roads & Tunnels Infrastructure in India - Additional Focus on Union Territory of Jammu & Kashmir and Ladakh**" dated September, 28 2023 (the "**D&B Report**") prepared and issued by Dun & Bradstreet Information Services India Private Limited ("**D&B India**"), appointed by us on August 6, 2023, and exclusively commissioned and paid for by us in connection with the Issue. D&B India is an independent agency which has no relationship with our Company, our Promoters and any of our Directors or KMPs or SMPs. The data included herein includes excerpts from the D&B Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the D&B Report is available on the website of our Company at www.srmcpl.com until the Bid/Issue Closing Date. For more information, see **"Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the D&B Report which have been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks"** on page 51*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "**Risk Factors**" and "**Forward Looking Statements**" on pages 32 and 24 respectively, and elsewhere in this Draft Red Herring Prospectus.*

BUSINESS OVERVIEW

We are 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. We undertake construction works both as an EPC contractor and on an item rate basis for infrastructure projects. Our Company also undertakes sub-contracting assignments of infrastructure construction projects. We 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 we, thus, believe that we have developed the expertise and know-how to undertake infrastructure construction projects in difficult terrains. 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*).

We are an ISO 9001:2015 certified company and are also registered as class A contractor with Public Work (R&B) Department, Jammu & Kashmir. We are pre-qualified to bid independently on projects, tendered by departments of governmental authorities and other entities funded by the GoI, of contract value up to ₹30,000 lakhs and ₹50,000 lakhs for EPC contracts pertaining to construction of roads (including bridges) and for construction of tunnel respectively. As a result of the growth of our road and tunnel construction business as well as the recent government initiatives and support to develop the infrastructure of union territories of Jammu & Kashmir and Ladakh, we have further forayed into executing other infrastructure projects such as standalone bridges, larger slope stabilisation works and other miscellaneous civil construction activities in order to capitalise on such rising opportunities.

As an EPC contractor, the scope of our services includes detailed engineering of the project, procurement of construction materials, plant and machinery, construction and execution of the project and its operation and maintenance in accordance with the contractual provisions. Our manpower, resources and fleet of machinery and equipment, together with our engineering capabilities, enables us to execute a large number of projects simultaneously. We believe that our resources, quality of work and project execution skills have enabled us to enhance our relationships with existing clients and helps us to further secure projects from new clients.

We undertake contracts independently or whenever required, through our 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. Our Company also undertakes sub-contracting assignments from third party major infrastructure and construction entities.

Our Company was incorporated in September 2008 and we have gradually increased our execution capabilities in terms of the size of projects that we are now bidding for and executing. For instance, one of the first road projects awarded to us by Government of Jammu and Kashmir Economic Reconstruction Agency in the month of February 2011 for widening of Sakhi-Maidan-Kalai road in District Poonch with the project cost of ₹773.88 lakhs, whereas, one of the project recently awarded by Ministry of Road Transport and Highways through Border Roads Organisation in calendar year 2023 i.e. Construction of realignment between Pandrass- Pashkyum (net length- 27.10 km) on road Zozila-Kargil-Leh (NH-1) to 2 lane specifications i.e. Drass realignment (9.30 km), Kharboo realignment (6.30 km) & Kargil alignment (11.50 km) under project Vijayak (BRO) in the Union Territory of Ladakh on EPC mode to our project specific joint venture is having a project cost of ₹ 20,568.28 lakhs.

Since incorporation, our Company, independently and through project-specific joint ventures, has completed thirty-seven (37) infrastructure construction projects having an aggregate contract value of Rs. 77,088 lakhs which includes thirty-one (31) roads projects, three (3) tunnel projects, one (1) slope stabilisation works and two (2) other miscellaneous civil construction activities. Out of the thirty-seven (37) projects executed by our Company, twenty-nine (29) infrastructure construction projects, including sub-contracting assignments, have been executed independently by us and eight (8) projects have been executed through project specific joint ventures. For information in respect of our completed projects, see "***Our Business - Our Completed Projects***" on page ***172***. As on September 15, 2023, our order book consists of twenty-one (21) infrastructure construction projects which includes twelve (12) roads projects (including bridges), five (5) tunnel projects, three (3) slope stabilization project and one (1) other miscellaneous civil construction activities. Out of the twenty-one (21) ongoing infrastructure construction projects, fifteen (15) infrastructure construction projects, including sub-contracting assignments, is being executed independently by us and six (6) infrastructure construction projects are being executed with our project-specific joint ventures. For information in respect of our ongoing projects, see "***Our Business - Our Order Book***" on page 173 and "***Our Business - Our Joint Ventures***" on page 176 .

Our order book in terms of value of contracts, including subcontracting assignments, was ₹70,743.00 lakhs as on September 15, 2023, ₹83,469.37 lakhs as on March 31, 2023, ₹25,788.32 lakhs as on March 31, 2022, and ₹43,257.33 lakhs as on March 31, 2021. Among the twenty-one (21) infrastructure construction projects that we are currently executing, twelve (12) projects aggregating to a total contract value of ₹42,951.80 lakhs relates to road construction, five (5) project of total contract value of ₹18,195.50 lakhs relates to tunnel construction, 3 (three) projects aggregating to a total contract value of ₹9,248.10 lakhs relates to slope stabilisation works and one (1) project of total contract value of ₹347.60 lakhs relates to other construction activity. For information in respect of our ongoing projects, see "***Our Business - Our Order Book***" on page 173.

At present we are primarily bidding for construction of roads including bridges, tunnel works, slope stabilisation works and other miscellaneous civil construction activities in the Union Territories of Jammu & Kashmir and Ladakh. Our major clients include 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**). Our Company also undertakes sub-contracting assignments from third party major infrastructure and construction entities executing projects in the Union Territories of Jammu & Kashmir.

Key Performance Indicators

In evaluating our business, we consider and use certain key performance indicators that are presented below as supplemental measures to review and assess our operating performance. The presentation of these key performance indicators is not intended to be considered in isolation or as a substitute for the Restated Financial Statement included in this Draft Red Herring Prospectus. We present these key performance indicators because they are used by our management to evaluate our operating performance. Further, these key performance indicators may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these matrices should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Our key financial performance indicator for Financial Year 2023, Financial Year 2022 and Financial Year 2021 are detailed as below;

(₹ in lakhs, unless stated otherwise)

Parameter	Financial Year 2023	Financial Year 2022	Financial Year 2021
Total income	30,065.09	26,550.88	16,194.74
Total revenue from operations (in ₹)	30,029.08	26,361.14	16,005.89
Current Ratio	2.05	1.56	1.23
EBIDTA	3,865.67	3,201.28	1,832.82
EBIDTA Margin (in %)	12.87 %	12.14%	11.45%
Net Profit for the Year	1,874.61	1,756.77	827.28
Net Profit Margin (in %)	6.24%	6.66 %	5.17%
Return on Net Worth (in %)	34.85%	49.30%	36.43%
Return on Capital Employed (in %)	35.04%	42.16%	31.17%
Debt-Equity Ratio	0.75	0.71	1.19
Debt Service Coverage Ratio	3.26	3.25	3.68

Notes:

(w) Total income includes revenue from operation and other income

(x) Revenue from operations represents the Contact receipt income from the projects executed by the Company as recognized in the Restated financial information.

(y) 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.

(z) 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.

(aa) EBITDA margin is calculated as EBITDA as a percentage of total income.

(bb) Net Profit for the year represents the restated profits of our Company after deducting all expenses.

(cc) Net Profit margin is calculated as restated profit & loss after tax for the year divided by total income.

(dd) 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.

(ee) Return on capital employed 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).

(ff) 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.

(gg) 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.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR:

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months. A few of the below listed developments have taken place since date of the last financial statements disclosed in this Draft Red Herring Prospectus;

1. ICICI Bank has renewed the Limit of ₹1.00 crore overdraft and Bank Guarantee limit of ₹9.00 crores on May 09, 2023 on the same terms and conditions as that of the prevailing facilities.
2. Yes Bank Limited has sanctioned the limit of ₹1.90 crore cash credit limit and bank Guarantee limit of ₹23.00 crores (sub limit ₹6.90 crores Bank Guarantee Financial) and Term loan of ₹10.00 lakhs on April 19,2023.
3. Loan from Bank and NBFC had been taken for financing the machineries.

For detail, see "***Financial Indebtedness***" on page 264.

KEY FACTORS AFFECTING THE RESULTS OF OPERATION:

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "***Risk Factors***" on page 32. Our Company's future results of operations could be affected potentially by the following factors:

- Changes in laws and regulations applicable to our business and in the area in which we operate.
- Changes in economic or political conditions in India and in the Union Territory of Jammu & Kashmir and Ladakh.
- Company's inability to retain its experienced employees.
- Our projects are exposed to various implementation and other risks, including risks of time and cost overruns, and uncertainties;
- Failure to adapt the changing technology in our industry of operation may adversely affect our business
- Timely completion of our projects is interdependent on the availability and performance of subcontractors;
- Dependency on performance of the joint venture partner in case of the projects undertaken through project specific joint ventures; and
- Material outstanding litigations involving our Company, if determined adversely.

OUR SIGNIFICANT ACCOUNTING POLICIES

The notes to the Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus contain a summary of our significant accounting policies. For details relating to our Significant accounting policies, see "***Accounting Policies & Notes on Accounts - Annexure IV -Restated Financial Statement***" beginning on page 232.

PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS

Set forth below are the principal components of statement of profit and loss from our continuing operations:

Income

Our total income comprises of (i) revenue from operations and (ii) other income.

Revenue from Operations

Revenue from operations comprises of Income generated from execution of work under the infrastructure construction contract assigned to us..

Other Income

Other income includes (i) interest income, (iii) other income and (iv) profit on sale of property, plant & equipment.

Expenses

Our expenses comprises of: (i) purchase cost; (ii) construction expenses; (iii) changes in inventories; (iv) employee benefits expense; (iv) finance costs; (v) depreciation and amortisation expense; and (vi) other expenses.

Purchase Cost

Purchase cost denotes the cost of materials purchased during the year.

Construction Expenses

Construction Expenses include: (i) sub-contract charges;(ii) hire/rent charges for equipment; (iii) drawing, design and survey expenses; (v) site expense; (vi) testing and quality control; (viii) tender fees; (ix) transportation expenses; and (xi) other expenses.

Changes in Inventories

Changes in inventories denote the difference between opening and closing balance of work in progress. The Company does not have any other items of inventory during the reported period.

Employee Benefits Expense

Employee benefits expenses primarily include (i) salary and wages, (ii) contribution to employee benefits (gratuity, provident fund and other funds) and (iii) staff welfare expenses.

Finance Cost

Finance cost includes (i) bank interest; (ii) other interest and (iii) other borrowing cost.

Depreciation and Amortisation expenses

Depreciation and amortisation expenses primarily include depreciation expenses on our property, plant and equipment.

Other Expenses

Other expenses include (i) audit fees; (ii) insurance expenses; (iii) repair and maintenance expenses;(iv) donation expenses;(v) corporate social responsibility expenses;(vi) fuel and lubricant Expenses(vii) Labour Cess (viii) Royalty (ix) telephone and internet expenses; (x) travelling expenses; (xi) Water Charges; (xii) professional and consultancy fees; (xiii) office and administrative expenses; (xiv) rent and lease; (xv) staff accommodation charges.

RESULTS OF KEY OPERATIONS

(₹ in lakhs)

Particulars	**For the year ended on**		
	31.03.2023	**31.03.2022**	**31.03.2021**
Income from continuing operations			
Revenue from operations	30,029.08	26,361.14	16,005.89
Total Operarting Revenue	**30,029.08**	**26,361.14**	**16,005.89**
% of growth	13.91	64.70	
Other Income	36.01	189.74	188.85
% total Other Income	0.12	0.71	1.17
Total Revenue	**30,065.09**	**26,550.88**	**16,194.74**
% of Growth	13.24	63.95	-
Expenses			
Cost of Material Consumed	21,757.85	18,551.83	11097.14
% of Revenue from operations	72.46	70.38	69.33
Employee benefits expense	1,131.98	874.86	692.32
% Increase/(Decrease)	29.39	26.37	
Finance Costs	580.02	255.35	232.70
% Increase/(Decrease)	127.15	9.73	
Other expenses	3,309.59	3,922.91	2,572.46

Particulars	For the year ended on		
	31.03.2023	31.03.2022	31.03.2021
% Increase/(Decrease)	(15.63)	52.50	
Depreciation and amortisation expenses	780.80	616.45	516.82
% Increase/(Decrease)	26.66	19.28	
Total Expenses	**27,560.23**	**24,221.40**	**15,111.44**
% to total revenue	91.67	91.23	93.31
EBDITA	**3,865.67**	**3,201.28**	**1,832.82**
% to total revenue	12.86	12.06	11.32
Restated profit before tax from continuing operations	2,504.85	2,329.48	1,083.30
Exceptional Item			
Total tax expense	630.24	572.71	256.02
Restated profit after tax from continuing operations (A)	1,874.62	1,756.77	827.28
% to total revenue	**6.24**	**6.62**	**5.11**

COMPARISON OF F.Y. 2022-23 WITH F.Y. 2021-22:

Income from Operations

We are engineering construction and development Company, engaged in the construction of road (including bridges), tunnels, slope stabilization works and other civil construction activities in the Union Territories of Jammu & Kashmir and Ladakh. Our Company's Contract receipt for FY 2022-23 was ₹30,029.08 Lakhs, which is increased by 13.91% in comparison to F.Y. 2021-22 contract receipt of ₹26,361.14 Lakhs. The Company was doing construction activity in Union Territories of Jammu and now have also started getting construction contracts for executing projects in the Union Territories of Ladakh.

Expenditure:

Cost of Material Consumed

The Cost of Material Consumed for F.Y.2022-2023 was ₹21,757.84 Lakhs against the cost of Material Consumed of ₹18,551.83 Lakhs in F.Y. 2021-2022. The cost of material consumed was 72.46 % of the total revenue from operations in F.Y 2022-2023 as against 70.38 % of total revenue from Operations in F.Y 2021-2022. The increase in cost of raw material consumed is on account of increase in prices of various raw material

Employee Benefits Expenses:

The Employee expenses for F.Y. 2022-2023 was ₹1,131.98 Lakhs against the expenses of ₹874.86 Lakhs in F.Y. 2021-22 showing increase by 29.39 %. The no of employees in the F.Y. 2022-23 were 280 as compared to No of Employees 245 in F.Y. 2021-22. The increase in the number of employees, normal increment to the existing employees and revision of the Directors remuneration result in to increase of the employee cost by 29.39% in F.Y. 2022-23 as compared to F.Y. 2021-22.

Finance Cost:

The Finance Cost for F.Y. 2022-23 was ₹580.02 Lakhs against the cost of ₹255.35 Lakhs in the F.Y. 2021-22 showing an increase of 127.15 %. The Company had provided bank guarantees for the various projects awarded to the Company. The Contingent Liability of bank Guarantee as on March 31, 2023 was ₹6,185.29 lakhs as against Contingent liability for bank Guarantee as on March 31, 2022 was ₹4,192.54 lakhs. The Bank Guarantee commission in the F.Y.2022-23 was ₹336.46 lakhs as against ₹42.97 lakhs in F.Y 2021-22. The increase in the Finance cost is due to utilization of more working capital limit in F.Y. 2022-23 as compare to F.Y 2021-22.

Other Expenses

Other Expenses decreased to ₹3309.59 lakhs for F.Y. 2022-23 against ₹3922.91 Lakhs in F.Y. 2021-22 showing decrease by 15.63%. The other expenses decrease on account of the reduction in the cost of diesel and other lubricants in absolute term by Rs 327.55 lakhs in F.Y. 2022-23 in comparison with F.Y 2021-22.

Depreciation and Amortisation Expenses:

The Depreciation for F.Y. 2022-23 was ₹780.80 Lakhs as compared to ₹616.45 Lakhs for F.Y. 2021-22. The depreciation was increased by 26.66 % in F.Y. 2022-23 as compared to F.Y. 2021-22. The depreciation was increased on account of acquiring plant and machineries and other Fixed assets of ₹1790.16 lakhs in F.Y 2022-23.

EBDITA

The EBDTA for F.Y. 2022-23 was ₹3865.68 Lakhs as compared to ₹3201.28 Lakhs for F.Y. 2021-22. The EBDITA was 12.86 % in FY 2022-23 of total Revenue as compared to 12.06 % in FY 2021-22. The EBDITA is increased on account of reduction of other expenses and increase of business by 13.91% in F.Y. 2022-23 as compared to F.Y 2021-22.

Profit after Tax (PAT)

PAT is₹ 1874.62 Lakhs for F.Y. 2022-23 as compared to ₹1,756.77 Lakhs in F.Y. 2021-22. The PAT was 6.24% of total revenue in F.Y. 2022-23 compared to 6.62% of total revenue in F.Y. 2021-22. Though the business of the Company increased by 13.91% in FY 2022-23 compared to F.Y. 2021-22, the profit margin was reduced by 0.38% on account of increase in cost of material consumption, higher depreciation and financial charges.

COMPARISON OF F.Y. 2021-22 WITH F.Y. 2020-21:

We are an engineering construction and development company, engaged in the construction of road (including bridges), tunnels, slope stabilization works and other civil construction activities in the union territories of Jammu & Kashmir and Ladakh. The Company's Contact receipt for FY 2021-22 was ₹26,361.14 Lakhs, which is increased by 64.70% in comparison to F.Y. 2020-21 contract receipt of ₹16,005.89 Lakhs. The Company was doing construction activity in Union Territories of Jammu and now also started working in the Union Territories of Ladakh. The project specific joint ventures which were formed helped the Company to get the bigger projects and execution of the same resulted in increase of the revenue.

Expenditure:

Cost of Material Consumed

The Cost of Material Consumed for F.Y.2021-22 was ₹18,551.83 Lakhs against the cost of Material Consumed of ₹11,097.14 Lakhs in F.Y. 2020-21. The cost of material consumed was 70.38 % of the total revenue from operations in F.Y 2021-22 as against 69.33 % of total revenue from Operations in F.Y 2020-2021. The increase in cost of raw material consumed is on account of increase in prices of various raw material.

Employee Benefits Expenses:

The Employee expenses for F.Y. 2021-22 was ₹874.86 Lakhs against the expenses of ₹692.32 Lakhs in F.Y. 2020-21 showing an increase by 26.37 %. The no of employees in the F.Y. 2021-22 were 245 as compared to No of Employees 220 in F.Y. 2020-21. The increase in the number of employees and normal increment to the existing employees result in to increase of the employee cost by 26.37 % in F.Y. 2021-22 as compared to F.Y. 2020-21.

Finance Cost:

The Finance Cost for F.Y. 2021-22 was ₹255.35 Lakhs against the cost of ₹232.70 Lakhs in the F.Y. 2020-21 showing an increase of 9.73 %. The increase in the Finance cost is due to utilization of more working capital limit in F.Y. 2021-22 as compare to F.Y 2020-21.

Other Expenses

Other Expenses increased to ₹3,922.91 lakhs for F.Y. 2021-22 against ₹2572.46 Lakhs in F.Y. 2020-21 showing increase by 52.50%. The other expenses increased on account of increase in the business by 64.70 % in F.Y. 2021-22 as compared to F.Y. 2020-21 resulting in to more cost of diesel and other lubricants in absolute term by Rs 1451.14 lakhs in F.Y. 2021-22 in comparison with F.Y 2020-21

Depreciation and Amortisation Expenses:

The Depreciation for F.Y. 2021-22 was ₹616.45 Lakhs as compared to ₹516.82 Lakhs for F.Y. 2020-21. The depreciation was increased by 19.28 % in F.Y. 2021-22 as compared to F.Y. 2020-21. The depreciation was increased on account of acquiring plant and machineries and other Fixed assets of ₹554.05 lakhs in F.Y 2021-22 .

EBDITA

The EBDTA for F.Y. 2021-22 was ₹3201.28 Lakhs as compared to ₹1832.82 Lakhs for F.Y. 2020-21. The EBDITA was 12.06 % in FY 2021-22 of total Revenue as compared to 11.32% in FY 2020-21. The EBDITA is increased on account of increase in the business by 64.70 % in F.Y. 2021-22 as compared to F.Y. 2020-21.

Profit after Tax (PAT)

PAT is ₹1756.77 Lakhs for F.Y. 2021-22 as compared to ₹827.28 Lakhs in F.Y. 2020-21. The PAT was 6.62% of total revenue in F.Y. 2021-22 compared to 5.11% of total revenue in F.Y. 2020-21. The profit margin was increased on account of increase in the business by 64.70 % in F.Y. 2021-22 as compared to F.Y. 2020-21.

CASH FLOW

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net cash from Operating Activities	1304.54	973.23	1418.13
Net cash flow from Investing Activities	(1886.89)	(594.02)	(1325.00)
Net Cash Flow Financing Activities	983.40	(298.70)	452.57

Cash flow for the Financial year ended March 31, 2023

The company was getting work and investing in the fixed assets hence the cash flow from investing activity was negative. The Investment in the fixed assets was from the internal cash accruals and borrowing from the Financial Institution and Banks. As far as Cash flow from operating activities were concerned, the company's funds blocked in change in working capital is less than the Profit earned by the Company hence the cash flow from Operating activity was positive. The Cash and Bank balance was high but looking to the operation of the Company on various locations, various sites and maintaining to the extent possible the bank account at the various sites, the cash and bank balance is not high .

Cash flow for the Financial year ended March 31, 2022

The company was investing in the fixed assets hence the cash flow from investing activity was negative. The Investment in the fixed assets was from the internal cash accruals and borrowing from the Financial Institution and Banks. As far as Cash flow from operating activities were concerned, the company's funds blocked in change in working capital is less than the Profit earned by the Company hence the cash flow from Operating activity was positive. The Cash and Bank balance was high but looking to the operation of the Company on various locations, various sites and maintaining to the extent possible the bank account at the various sites, the cash and bank balance is not high.

Cash flow for the Financial year ended March 31, 2021

The company was investing in the fixed assets hence the cash flow from investing activity was negative. The Investment in the fixed assets was from the internal cash accruals and borrowing from the Financial Institution and Banks. As far as Cash flow from operating activities were concerned, the company's funds blocked in change in working capital is less than the Profit earned by the Company hence the cash flow from Operating activity was positive. The Cash and Bank balance was high but looking to the operation of the Company on various locations, various sites and maintaining to the extent possible the bank account at the various sites, the cash and bank balance is not high.

INFORMATION REQUIRED AS PER ITEM 11 (II) (C) (IV) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:

1. Unusual or infrequent events or transactions

To our knowledge, there have been no unusual or infrequent events or transactions that have taken place during the last three years other than shut down of business due to COVID-19.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our Business is substantially dependent on Infrastructure projects like Road, Tunnel, Slop Sliding walls in Union Territory of Jammu and Kashmir and Ladakh awarded by Government Authorities and other entities funded by the Government. Any change in the Government Policies resulting in to a decrease in the awarding of the infrastructure projects may adversely affect our business and results of operations. For further details, see "***Industry Overview***" on Page 115 and "***Risk Factor***" on 32.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled "**Risk Factors**" on page 32, to our knowledge there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Expected Future Changes in relationship between costs and revenues, in case of events such as future increase in labour, Material costs or prices that will cause a material change are known.

Other than as described "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Position and Result of Operations***" on Pages 32, 162 and 273 respectively, to our knowledge, there are no known factors that might affect the future relationship between expenditure and income which may have a material adverse impact on our operations and finances.

5. **Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Changes in revenue in the last three Financial Years are as described in "Results of Key Operations – Comparison of FY 2022-23 with FY 2021-2022 and Comparison of FY 2021-2022 with FY 2020 -2021" and mentioned above. Increases in revenues are by and large linked to increases in volume of business mentioned above.

6. Total turnover of each major industry segment in which the issuer company operated.

The Company is in the business of Infrastructure industry. For detail, see "***Our Business***" and "***Industry Overview***" on page 162 and 115 .

7. Status of any publicly announced new products or business segment.

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or new business segments.

8. The extent to which business is seasonal.

Our Company's business is not seasonal, but our business and operations may be affected by seasonal factors such as heavy or sustained snowfall, extreme cold weather or other extreme weather conditions may restrict our ability to carry on activities related to our projects and fully utilize our resources.

9. Any significant dependence on a single or few suppliers or customers.

Our business is primarily dependent on road, tunnels, slop stabilization projects and other construction activity in Union Territory of Jammu & Kashmir and Ladakh undertaken or awarded by governmental authorities We derive a significant portion of our revenues from a limited number of clients. Our business could be materially and adversely affected if there are adverse changes in the policies and delays in awarding contracts by these authorities, among other risks. For further details, see "***Our Business***" and "***Risk Factors***" on page 162 and 32 respectively.

10. Competitive conditions.

We operate in a competitive environment. We compete against various domestic engineering, construction and infrastructure companies. For details, see "***Our Business***", "***Industry Overview***" and "***Risk Factors***" on page 162, 115 and 32 respectively.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding: (a) criminal proceedings; (b) actions by statutory or regulatory authorities; (c) claims relating to direct and indirect taxes; (d) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Company, the Subsidiaries, the Directors, the Promoters, the Joint Ventures and the Group Companies in the last five Fiscals, including outstanding action; or (e) Material Litigation (as defined below); involving our Company, its Subsidiaries, its Directors, the Promoters, the Joint Ventures and the Group Companies ("**Relevant Parties**").*

*Our Board, in its meeting held on August 23, 2023, determined that outstanding legal proceedings involving the Relevant Parties will be considered as material litigation ("**Material Litigation**") (i) if the aggregate amount involved exceeds 5% of the average of absolute value of profit or loss after tax for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 in Restated Consolidated Financial Statements or Rs. 60 lakhs, whichever is lower; or (ii) are outstanding litigations whose outcome could have a material impact on the business, operations, prospects or reputation of the Company; or (iii) the decision in one case is likely to affect the decision in similar cases such that the cumulative amount involved in such cases exceeds the Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Materiality Threshold.*

It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties, unless otherwise decided by our Board, are not evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum.

Except as stated in this Section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors by way of its resolution dated August 29, 2023. In terms of the materiality policy, creditors of our Company to whom amounts outstanding dues to any creditor of our Company exceeding 5% of the absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company or ₹60 lakhs, whichever is less, would be considered as material creditors. The 5% of the absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company ₹74.31 lakhs. Accordingly, dues exceeding ₹60 lakhs shall be considered material for the purpose of identification of material creditors. Details of outstanding dues to micro, small and medium enterprises and other creditors separately giving details of number of cases and amount involved, shall be uploaded and disclosed on the website of the Company as required under the SEBI ICDR Regulations.

For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder, as amended, as has been relied upon by the Statutory Auditors.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

All terms defined in a particular litigation disclosure pertains to that litigation only.

I. Litigation involving our Company

A. *Litigation filed against our Company*

1. Criminal proceedings

i. *FIR bearing number 0086*

For details pertaining to this litigation, please see "***Litigation filed against our Company - Material civil proceedings - Ghulam Mohi Ud Din and Tasleema Begum vs. SRM Contractors Private Limited and Pritam Singh – Claim Petition no. 41-D/ECACT/2021***" of this chapter beginning on page 284.

ii. ***First Information Report No. 02 of 2022 and Charge sheet***

On January 1, 2022, a First Information Report No. 2 of 2022 was lodged in relation to a motor vehicle accident. Mushtaq Ahmed who was driving a JCB in a negligent manner and met with an accident resulting in the loss of his life and one Mr. Ishiyak Ahemed and causing severe injuries to one Mr. Fareed Ahmed. On investigation it was found that the challan attached with the JCB that caused the accident belongs to SRM Contractors Limited ("**SRM**") and it was alleged that our Company has sold the vehicle to one Mr. Naushad Ahmed without proper registration. Hence, charges have been registered against SRM in the said matter under 39/192 MV Act. The matter is currently pending before the Judicial Magistrate Gandoh District Kishtwar and the next date of hearing is October 4, 2023.

iii. ***Mohd. Latief and others vs. Jatinder Singh and others – 47/2021***

Mohd. Latief and others ("**Complainant**") have filed a complaint bearing number 47/2021 under section 156(3 of the Cr.P.C before the Hon'ble Judicial Magistrate 1st Class, Chenani against Jatinder Singh, Ashok Sher Sahib and Mohd. Rashid (employees of SRM Contractors Limited ("**SRM**")) ("**SRM Employees**") and others ("**Accused**"). The complaint has been filed seeking registration of an FIR against the Accused along with other unknown persons engaged at the construction site village, Baishty Tehsil, Chenani. SRM is engaged in the widening of the Chenani-Sudhamahdev Road. The Complainant alleged that the Accused, involving SRM Employees and others dumped debris and other malba on residential area, forest land, and state land etc. adversely affecting the villagers residing nearby and causing them severe health problems and also polluted public springs. The matter is presently pending and the next date of hearing is October 27, 2023.

2. Outstanding actions by regulatory and statutory authorities

Nil.

3. Material civil proceedings

i. ***Ghulam Mohi Ud Din and Tasleema Begum vs. SRM Contractors Private Limited and Pritam Singh – Claim Petition no. 41-D/ECACT/2021***

Ghulam Mohi Udin and Tasleema Begum ("**Petitioners**") filed a claim petition bearing number 41-D/ECACT/2021, before the Court of Learned Assistant Labour Commissioner, Jammu ("**ALC**"), against SRM Contractors Private Limited ("**SRM**"). The Petitioners have also filed an FIR under section 304-A of the IPC wherein SRM has been named along with the machine operator. The Petitioners claimed before the ALC that SRM failed to pay due compensation to them for the death of their son, which arose in his due course of employment with SRM. The Petitioners prayed that the compensation amounting to Rs. 45,00,000 along with interest and penalty to which the petitioners are allegedly entitled under the provisions of Worksmen Compensation Act may be passed in favour of the Petitioners and against SRM. The ALC passed an ex-parte order in favour of the Petitioners directing SRM to pay compensation amounting to Rs. 8,33,062 (inclusive of interest.) SRM filed an appeal before the Hon'ble Court of Commissioner under the Employees Compensation Act, 1923 (Assistant Labour Commissioner), Jammu ("**Commissioner**") for the order passed by the ALC to be set aside. The Commissioner set aside the order passed by the ALC and directed SRM to file written reply in the main claim. The matter is currently pending and the next date of hearing is October 5, 2023.

ii. ***TBA Infrastructure Private Limited vs. State of Jammu and Kashmir and Others – OWP No. 521/2016 & MP No. 1/2016***

TBA Infrastructure Private Limited ("**Petitioner**") filed a writ petition ("**Petition**") bearing OWP No. 521/2016 along with MP No. 1/2016, before the Hon'ble High Court of Jammu and Kashmir ("**Court**") under Article 226 of the Constitution of India read with Section 103 of the Constitution of Jammu and Kashmir against the State of Jammu and Kashmir; Chief Engineer, PWD and Executive Engineer, PWD ("**Other Respondents**") along with SRM Construction Private Limited ("**SRM**") (Other Respondents and SRM, collectively, "**Respondents**").

The Executive Officer, PWD, Construction Division - III, Jammu issued a Notice Inviting Tender ("**NIT**") to which both the Petitioner and SRM made their respective bids, and the contract work was successfully allotted to SRM. The Petitioner claimed that the contract work in question has illegally and arbitrarily been allotted in favour of SRM and that the Other Respondents have deliberately ignored specific terms and conditions of the NIT and general conditions of contract, particularly the eligibility conditions in allotting the contract work to SRM. Thus, the Petitioner instituted this Petition, praying for, inter alia, (i) writ in the nature of certiorari for quashing and setting aside the decision of the Other Respondents to declare SRM to be qualified for the technical bidding process; (ii) Writ in the nature of certiorari for quashing and setting aside the decision of the Other Respondents declaring SRM as the lowest bidder; and (iii) Writ of Mandamus directing and commanding the other Respondents to declare the bid of the Petitioner as the only successful bidder qualifying for the technical bid. SRM, in its objection, claimed this Petition to be grossly misconceived and a reckless attempt to abuse the power of law. The matter is currently pending and the next date of hearing is October 13, 2023.

iii. ***Sarabjeet Kour and Others vs. Swaran Singh & SRM Contractors Private Limited - Case No. 5065 / 2017***

Sarabjeet Kour, Gurnoor Kour and Ajeet Singh ("**Petitioners**") have filed a claim petition against Swaran Singh and SRM Contractors Private Limited ("**SRM**") (collectively, "**Respondents**") under Section 166 and 140 of the Motor Vehicles Act, 1988 before the Hon’ble Court of Learned Principal District & Session Jude, Jammu. The Petitioners have applied for compensation on account of their deceased family member, which occurred in a motor vehicle accident involving a vehicle owned by SRM and driven by Swaran Singh and an FIR bearing number 93/2017 was registered in the matter. The Petitioners have claimed an amount of Rs.44,00,000 along with interest pendente lite and future interest. SRM filed objections denying all the accusations. The matter is currently pending and the next date of hearing is October 30, 2023.

iv. ***Kunal Conchem Private Limited vs. SRM Contractors Privtae Limited – CS Summary Suit No. 12/2022***

Kunal Conchem Private Limited ("**Plaintiff**") filed a suit for recovery bearing number CS summary suit no. 12/2022 before the Hon'ble Court of District and Session Judge, Faridabad District Court ("**Court**") against SRM Contractors Private Limited ("**SRM**"), Sanjay Mehta, Krishan Singh, Ashley Mehta, Vinod Kohli, Rajeev Mehta, Vikas Vald and Aleena Mehta (collectively, "**Defendants**"). The Plaintiff supplied various construction materials to SRM and has alleged invoices raised to the tune of Rs.72,44,912 were outstanding by SRM. The Plaintiff has prayed to the Court to pass a decree for a sum of Rs. 88,24,856 (amount outstanding along with interest in terms of the invoices) in favor of the Plaintiff along with 24% interest per annum till the realization of the full amount. The matter is currently pending and the next date of hearing is October 11, 2023.

v. ***Salima Begum vs. Pyare Lal Sharma, United India Insurance Company Limited and SRM Contractors Private Limited – No. RD0050000000254***

Salima Begum ("**Applicant**") has filed an application for award of compensation bearing number RD0050000000254 against Pyare Lal Sharma, United India Insurance Company Limited and SRM Contractors Private Limited ("**SRM**") (collectively, "**Respondents**") before the Hon’ble Assistant Labour Commissioner, Kishtwar. The Applicant’s husband met with an accident in the course of employment with SRM and an FIR bearing number 55/2017 was registered in the matter. Hence, the Applicant had filed this application against the Respondents seeking a compensation amounting to Rs.10,16,640 along with statutory interest. SRM, in its objections, stated that the if the Applicant is entitled to any amount of compensation, then the award may be passed against United India Insurance Company Limited as SRM had obtained an employees’ compensation liability policy from United India Insurance Company Limited. The matter is currently pending and the next date of hearing is October 16, 2023.

vi. ***Mohd. Abdulla and others vs. Union Territory of Jammu and Kashmir and others - WP(C) No. 2011/2022***

Mohd. Abdulla, Abdul Lateif and Zubina Begum ("**Petitioners**") filed a writ of petition bearing number WP(C) No. 2011/2022 ("**Petition**") against Union Territory of Jammu and Kashmir ("**UT of J&K**"); Senior Superintendent of Police, Ramban ("**SSP**"); SHO Police Station, Dharamkund ("**SHO**"); Baljinder Singh, Chief Operating Officer ("**COO**"), SRM Contractors Private Limited ("**SRM**"); Zahoor Masoodi, Head of HCC Ramban ("**Masoodi**"); and Shabir Ahmed ("**Shabir**") (Driver/In-charge Supervisor), C/o SRM (collectively, "**Respondents**") before the Hon'ble High Court of Jammu and Kashmir and Ladakh.

One of the Petitioners was involved in a land dispute with SRM wherein the Petitioner claims that SRM has not paid compensation of the land as well as the damages to the footpath, land and house of one of the Petitioners and others. Two of the Petitioners also raised this issue with various officials (including one of the Respondents) of the revenue authority for construction of footpath but no action was taken for the same. The Petitioners filed an application before the DC Ramban claiming damages due to cutting of land by railway authorities and the construction work carried out by COO, Masoodi and Shabir. The Petitioners further alleged that another representation was made by them with the Additional Deputy Commissioner in this regard. Subsequently, two of the Petitioners approached COO, Masoodi and Shabir to construct the footpath from Mora Diwli to Tunnel and construction of a bathroom with water tank and Diwli Chashma. However, the Petitioners allege that COO, Masoodi and Shabir did not carry out the work. Further, a supervisor at the site of work died after being hit by a sliding stone for which the Petitioners sought compensation to the family of the deceased. The Petitioners alleged that instead of compensating the family, COO, Masoodi and Shabir have registered a false and frivolous FIR bearing number 0037 against the Petitioners in order to avoid paying compensation to the family of the deceased ("**Impugned FIR**"). Hence, the Petitioners filed this writ petition and prayed for, inter alia, (i) quashing of the Impugned FIR; (ii) commanding SSP and SHO to ensure that no harassment be caused to the Petitioners at the behest of COO, Masoodi and Shabir and SRM other construction companies and no construction can be raised in the land of the Petitioners forcibly without the acquisition process; and (iii) commanding UT of J&K, SSP and SHO to initiate the inquiry against the death of the Petitioners' family member due to negligence manners/act on the part of COO, Masoodi and Shabir, which makes them entitled to compensation for the death, along with the compensation of the land. The matter is currently pending and the next date of hearing is November 3, 2023.

vii. ***Kartar Chand vs. SRM Contractor Private Limited - Civil Suit No. 49/2023***

Kartar Chand ("**Plaintiff**") has filed a civil suit bearing no. 49/2023 against SRM Contractor Private Limited ("**SRM**") before the Hon'ble Principal District Judge, Udhampur. The Government of India decided to construct the National Highway of Chennai-Doda Stretch and SRM was allotted the said proposal to carry out the work. SRM commenced the construction work over the site provided by the Government, though the land owned by the land owners was acquired to construct the National Highway. It is alleged that SRM illegally dumped the material of the construction and malba over the land, which is owned and possessed by the Plaintiff, due to which the Plaintiff suffered financial losses. Hence, the Plaintiff filed this petition praying that SRM be directed to pay the damages to the Plaintiff for the financial losses suffered by him amounting to Rs. 1,05,00,000 along with interest @12% per annum and litigation expenses of Rs. 1,00,000. The matter is currently pending and the next date of hearing is October 16, 2023.

viii. ***Khurshaid Mohd. vs. SRM Contractor Private Limited – Civil Suit/51/2023***

Khurshaid Mohd. ("**Plaintiff**") has filed a civil suit bearing no. 51/2023 against SRM Contractor Private Limited ("**SRM**") before the Hon'ble Principal District Judge, Udhampur. The Government of India decided to construct the National Highway of Chennai-Doda Stretch and SRM was allotted the said proposal to carry out the work. SRM commenced the construction work over the site provided by the Government, though the land owned by the land owners was acquired to construct the National Highway. It is alleged that SRM illegally dumped the material of the construction and malba over the land which is owned and possessed by the Plaintiff, due to which the Plaintiff suffered financial losses. Hence, the Plaintiff filed this petition praying that SRM be directed to pay the damages to the Plaintiff for the financial losses suffered by him amounting to Rs. 1,80,00,000 along with interest @12% per annum and litigation expenses of Rs. 1,00,000. The matter is currently pending and the next date of hearing is October 16, 2023.

ix. ***Mahesh Kumar, Bhusan Kumar and Surinder Kumar vs. SRM Contractor Private Limited – Civil Suit/50/2023***

Mahesh Kumar, Bhusan Kumar and Surinder Kumar ("**Plaintiffs**") has filed a civil suit bearing no. 50/2023 against SRM Contractor Private Limited ("**SRM**") before the Hon'ble Principal District Judge, Udhampur. The Government of India decided to construct the National Highway of Chennai-Doda Stretch and SRM was allotted the said proposal to carry out the work. SRM commenced the construction work over the site provided by the Government, though the land owned by the land owners was acquired to construct the National Highway. It is alleged that SRM illegally dumped the material of the construction and malba over the land, which is owned and possessed by the Plaintiffs, due to which the Plaintiffs suffered financial losses. Hence, the Plaintiffs filed this petition praying that SRM be directed to pay the damages to the Plaintiffs for the financial losses suffered by him amounting to Rs. 6,00,00,000 along with interest @12% per annum and litigation expenses of Rs. 1,00,000. The matter is currently pending and the next date of hearing is October 16, 2023.

x. ***Krishna Gopal Pandoh and others vs the Commissioner / Secretary, J&K Government and Others. - PI (Civil) 15095, 15117 & 15127/2015 & Contempt 10100/2015***

Krishna Gopal Pandoh ("**Petitioners**") has filed a civil original suit for permanent injunction bearing number PI (Civil) 15095, 15117 & 15127/2015 & Contempt 10100/2015, before the Court of Learned Principal Sub-Judge (Chief Judicial Magistrate), Jammu ("**PSJ**"), against the Commissioner / Secretary, J&K Government, SRM Contractors Limited ("**SRM**") and others ("**Defendants**").

The Petitioners have filed a suit for permanent injunction restraining the Defendants, their employees, agents or any other persons claiming thereunder from interfering in any manner. The Petitioners contends that the J&K Government has proposed to construct a road from Sangrampur to Gajansoo kilometer 5 to kilometer 14 as has been approved in the State Level Contract Committee and has been awarded to SRM and the road will pass through the property of the Petitioners. The Petitioners have neither been paid any compensation nor property has been acquired by the Government and therefore has filed a suit for Permanent injunction restarting the defendants from constructing proposed road without prior demarcation or paying the compensation amount to the plaintiffs. The next date of hearing is October 18, 2023.

B. *Litigation filed by our Company*

1. Criminal proceedings

Nil

2. Material civil proceedings

i. ***SRM Contractors Private Limited vs. Union Territory of Jammu & Kashmir and others – Writ Petition no. 1742/2022***

SRM Contractors Private Limited ("**SRM**") filed a writ petition bearing number 1742/2022 before the Hon'ble High Court of Jammu and Kashmir and Ladakh ("**J&K High Court**") against the Union Territory of Jammu & Kashmir, Chief Engineer, Public Works Department and others (collectively, "**Respondents**").

The facts of the case are, SRM was allotted contractual work for improvement/upgradation of the HastiSarthal Devi Ji Road by the Respondents and the work was initiated by SRM by December 1, 2018 and by the end of April 2019, SRM achieved a progress of more than 30%. However, due to the inaccessibility of the hilly and snow-bound terrain, the roads and connectivity are inaccessible for nearly three months every year and accordingly, extensions were granted to SRM by the Respondents from time to time. Subsequently, when SRM sought further payments against the work done, the Respondents asked SRM to resume work on the site. However, SRM never halted the work on site. In light of the same, SRM, vide a letter, sought to invoke dispute resolution from the Respondents in terms of their contract.

However, the Respondents terminated SRM's contract. Hence, SRM has filed this writ petition before the J&K High Court seeking the quashing and setting aside of the Respondents order terminating the contract between the Respondents and SRM. The matter is currently pending.

ii. ***SRM Contractors Private Limited vs. Shailendra Kumar and others – Contempt Petition no. 60/2022***

SRM Contractors Private Limited ("**SRM**") filed a contempt petition bearing number 60/2022 before the Hon'ble High Court of Jammu and Kashmir and Ladakh ("**J&K High Court**") against Shailendra Kumar, Principle Secretary, Public Works Department; Shaukat Jeelani Pandit, Chief Engineer, Public Works Department; Ravinder Kumar Mansotra, Superintending Engineer, Public Works Department and Arvind Gupta, Executive Engineer, Public Works Department (collectively, "**Respondents**").

SRM had awarded a contract for providing and laying of wet mix macadam and berms filing on internal road of Marh area in block Marh by the Respondents. Upon completion of the work, SRM's bill of Rs. 36,47,287 was only partially honored by the Respondents and Rs. 17,47,287 was outstanding with the Respondents claiming lack of funds to be reason for the non-payment of such dues. Subsequently, SRM filed four writ petitions bearing numbers 983/2020, 984/2020, 985/2020 and 986/2020 before the J&K High Court seeking balance payment from the Respondents. All the four writ petitions were dismissed. Thereafter, SRM filed two Letter Patent Appeals ("**LPAs**") against the writ petitions bearing no. 983/2020 and 986/2020 before the J&K High Court as the claims made in the other two writ petitions were paid by the Respondents subsequent to the dismissal of the writ petitions. The LPAs were allowed by the J&K High Court. However, the Respondents were yet to release the pending payment to SRM. Hence, SRM filed this contempt petition seeking initiation of contempt proceedings against the Respondents for non-compliance of the order passed in the LPAs. The matter is presently pending.

iii. ***SRM Contractors Private Limited vs. Union Territory of Jammu & Kashmir and others – Arbitration Petition no. 12/2023, File no. 19/2023 and File no. 23/2023***

SRM Contractors Private Limited ("**SRM**") filed an arbitration petition under section 11(6) of the Arbitration & Conciliation Act, 1996 bearing number 12/2023 before the Hon'ble High Court of Jammu and Kashmir and Ladakh ("**J&K High Court**") against the Union Territory of Jammu & Kashmir; Chief Executive Officer, Public Works Department and others (collectively, "**Respondents**").

SRM was awarded the contract of upgradation of Tutan Di Khui to Khada-Madana Road and the contract contained a clause for dispute resolution. During the currency of the contract, a dispute arose between SRM and the Respondents. SRM flagged certain issues to the Respondents impeding further performance of the contract stating that further construction was not feasible due to the non-availability of encumbrance free land. However, SRM did not receive a response to the issues from the Respondents. Instead, the Respondents served a notice on SRM, threatening them with a levy of penalty in terms of the contract. The Respondents also amended the design of the project work. SRM, subsequently, engaged a structural consultant who reported instability of the project work. Thereafter, SRM sought to engage the services of an adjudicator in terms of the contract. However, the Respondents failed to respond to SRM's correspondences. Hence, SRM filed this arbitration petition, seeking appointment of an arbitrator for resolving the dispute. In the meantime, the Respondents issued an order upon SRM for imposition of liquidated damages to the tune of Rs.1.93 crores as well as termination of contract. SRM subsequently filed two applications bearing File no. 19/2023 and File no. 23/2023 under section 9 of the Arbitration & Conciliation Act, 1996 seeking restoration of status quo w.r.t. the contract as well as injunction on the liquidated damages. The matter is presently pending and the next date of hearing of the petition is October 9, 2023 while the applications File no. 19/2023 and File no. 23/2023 will be heard on October 9, 2023 and September 26, 2023, respectively.

C. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in Rs. lakhs*)
Direct Tax	10	37.51
Indirect Tax	Nil	Nil

Total	**10**	**37.51**

II. Litigation involving our Subsidiaries

A. *Litigation filed against our Subsidiaries*

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material civil proceedings

Nil

B. *Litigation filed by our Subsidiaries*

1. Criminal proceedings

Nil

2. Material civil proceedings

Nil

C. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in Rs. lakhs*)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	**Nil**	**Nil**

III. Litigation involving our Joint Ventures

A. *Litigation filed against our Joint Ventures*

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material civil proceedings

i. Surinder Singh and others vs. Union of India and Others - WP 1243 of 2023

Surinder Singh and others ("**Petitioners**") have filed a writ petition bearing number 1243 of 2023 before the Hon'ble High Court of Jammu and Kashmir and Ladakh at Jammu against Union of India, National Highway and Infrastructure, ECI-SRM Projects ("**ESP**") and others ("**Respondents**").

The National Highway and Infrastructure (one of the Respondents) floated a tender for a contract for widening and upgradation to two lanes on Chenani-Sudhmahadev Road section of NH-244 which was awarded to ESP. ESP almost completed the entire widening and up-gradation of the said work except a particular section which was stalled because of the fact that deep excavations within residual soil would have caused perennial sliding tendency of steep box cut sections. Thus, the Petitioners have filed this writ petition seeking an appropriate writ, direction or order restraining the Respondents to execute the pending work. The matter is presently pending and the next hearing date is October 11, 2023.

ii. ***Nazir Hussain and others vs. Union of India and Others - WP 1285 of 2023***

Nazir Hussain and others ("**Petitioners**") have filed a writ petition bearing number 1285 of 2023 before the Hon'ble High Court of Jammu and Kashmir and Ladakh at Jammu against Union Territory of Jammu and Kashmir, ECI-SRM Contractors ("**ESP**") and others ("**Respondents**").

The National Highway and Infrastructure (one of the Respondents) floated a tender for a contract for widening and upgradation to two lanes on Chenani-Sudhmahadev Road section of NH-244 which was awarded to ESP. The Petitioners alleged that they were the legal owners of the land on which the abovementioned construction work was being carried out and they were aggrieved by the land acquisition proceedings alleging it to be illegal, invalid and in contravention to the tenets of Land Acquisition Act. Thus, the Petitioners filed this writ petition seeking the quashing of the notification passed under Section 4(1) of the Land Acquisition Act, dated September 7, 2018 as well as quashing of the final award dated January 30, 2019 issued by the Office of the Collector Land Acquisition, Sub-Divisional Magistrate, Chenani. The matter is presently pending and the next hearing date is November 20, 2023.

iii. ***HMBS Textiles Private Limited vs. SRM-Rajinder Projects - ARB. P. 281/2020 and Case No. DIAC/3917/04-22***

HMBS Textiles Private Limited ("**HMBS**") has filed an arbitration petition bearing number 281/2020 and a claim petition bearing number DIAC/3917/04-22 against SRM-Rajinder Projects before the Hon'ble Delhi International Arbitration Centre.

For details, see "***Outstanding Litigation and Material Developments – Litigation involving our Promoters – Litigation filed by our Promoters - Sanjay Mehta vs. State of Jammu and Kashmir and others – Permanent PI (Civil) 15038 of 2016***" on page 293.

A Joint Venture between SRM Contractors Private Limited ("**SRM**") with M/s Rajindiner Infrastructure ("**RI**") (the "**JV**"), was awarded a contract for executing the work of 'Design and Construction of Reinforcement Earth embankment' at Udhampur-Srinagar-Baramulla Link project by Konkan Railway Corporation Limited ("**Project**"), and Aditya Jain on behalf of HMBS approached the Sanjay Mehta to work as a sub-contractor for the Project. However, after certain deliberations, it was concluded that pursuant to shortcomings and incapacity of the Aditya Jain, the contract could not be sub-delegated to the Aditya Jain. However, HMBS, claiming to have already initiated the work on their part of the contract and raised certain bills on the JV which HMBS alleged were unpaid. Hence, HMBS instituted the arbitration petition seeking the appointment of an arbitrator as well as the claim petition claiming Rs.34,62,402 towards payment of bills, Rs.68,71,551 towards expenses incurred, Rs.3,20,00,000 on account of loss of profit, pre-suit interest, future interest as well as costs. The matter is presently pending.

B. *Litigation filed by our Joint Ventures*

1. Criminal proceedings

Nil

2. Material civil proceedings

i. SRM-Rajinder Projects vs. Union Territory of Jammu & Kashmir and others – Arbitration Petition no. 38/2022

SRM-Rajinder Projects ("**SRP**") filed a arbitration petition bearing number 38/2022 before the Hon'ble

High Court of Jammu and Kashmir and Ladakh ("**J&K High Court**") against the Union Territory of Jammu & Kashmir; Director, Technical, PMU JTFRP, and Project Manager T (ERA), PMU JTFRP (collectively, "**Respondents**").

SRP was awarded contractual work of upgradation of Sidhra-Surinsar Road, Jammu. However, SRP flagged certain technical discrepancies with the execution of work causing SRP losses to the Respondents. The Respondents disregarded the dispute and did not cater to the concerns of SRP. SRP subsequently completed the contractual work successfully and received a completion certificate against the same. However, certain dispute arose between SRP and the Respondents and SRP sought to appoint an adjudicator in terms of the general conditions of contract and the particular conditions of contract. SRP also served upon the Respondents a notice for appointment of adjudicator but the Respondents did not respond to the same. Hence, SRP filed this arbitration petition seeking appointment of an arbitrator. The matter is pending and the next date of hearing is October 13, 2023.

ii. ECI-SRM Projects vs. State of Jammu and Kashmir; Chief Engineer, Jal Shakti Irrigation & F.C. Department, Civil Secretariat, Jammu; Superintending Engineer, Irrigation & F.C. Department, Hydraulic Circle Rajouri; and Executive Engineer, Irrigation & F.C. Division Rajouri - WP(C)2242 of 2022

ECI-SRM Projects ("**ESP**") filed a writ petition bearing number WP(C) 2242 of 2022 before the Hon'ble High Court of Jammu and Kashmir and Ladakh ("**J&K High Court**") against State of Jammu and Kashmir; Chief Engineer, Jal Shakti Irrigation & F.C. Department, Civil Secretariat, Jammu; Superintending Engineer, Irrigation & F.C. Department, Hydraulic Circle Rajouri; and Executive Engineer, Irrigation & F.C. Division Rajouri ("**Respondents**") seeking release of an amount of Rs. 73,304,061. ESP was allotted EPC contract for ANS Irrigation Canal by the Respondents. As the work went on, ESP continued to receive payments in terms of their arrangement. However, since March 2019, the Respondents stopped paying ESP without giving any justification for the same. ESP, in the meantime, did not stop the work and proceeded towards the completion of the contract while sending reminders to the Respondents for payment. After serving various reminders upon the Respondents, ESP finally left with no other alternative but to institute this suit seeking release of payment amounting to Rs.9,00,00,000 against the work completed in the contract. The matter is presently pending and the next date of hearing is October 13, 2023.

C. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in Rs. lakhs*)
Direct Tax	5	1.00
Indirect Tax	Nil	Nil
Total	**5**	**1.00**

IV. Litigation involving our Directors (other than Promoters)

A. *Litigation filed against our Directors (other than Promoters)*

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material civil proceedings

Nil

B. *Litigation filed by our Directors (other than Promoters)*

1. Criminal proceedings

Nil

2. Material civil proceedings

Nil

A. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (*in Rs. lakhs*)
Direct Tax	1	0.04
Indirect Tax	Nil	Nil
Total	**1**	**0.04**

V. Litigation involving our Promoters

A. *Litigation filed against our Promoters*

1. Criminal proceedings

Nil.

2. Outstanding actions by regulatory and statutory authorities

Nil.

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3. Material civil proceedings

i. ***Kunal Conchem Private Limited vs. SRM Contractors Private Limited – CS Summary Suit No. 12/2022***

For details pertaining to this litigation, please see "***Litigation filed against our Company***" of this chapter beginning on page 283.

B. *Litigation filed by our Promoters*

1. Criminal proceedings

i. *FIR bearing no. 0916/2020 and Sanjay Mehta vs. Union Territory of Jammu and Kashmir through P/S Bahu Fort IKHT-TAMI/11/2023*

Sanjay Mehta ("**Complainant**"), on behalf of SRM Contractors Limited ("**SRM**") filed an FIR bearing number 0916/2020 against Aditiya Jain ("**Accused**") for forging documents. SRM was executing a work for design and construction of reinforced earth embankment at bridge no. 40, 41 and 42 on Katra Dharam section for Konkan Railway Corporation at Reasi. The Accused approached SRM for executing the above-stated work and exchanged various drafts of agreement. The Complainant explained to the Accused that the works contract does not allow for it. However, the Accused filed an arbitration petition against Complainant using forged sub-contract agreement before the Hon'ble Delhi High Court. The matter is presently pending.

The Complainant, not being satisfied with the investigation conducted by the investigating authorities, has filed a Protest Petition before the Hon'ble Court of City Judge, Jammu seeking proper investigation. The Protest Petition was allowed by the Hon'ble Court of City Judge, Jammu and the Sub-Divisional

Police Officer was directed to conduct further investigation in the FIR bearing no. 0916/2020. The matter is presently pending and the next date of hearing is November 18, 2023.

2. Material civil proceedings

i. Sanjay Mehta vs. State of Jammu and Kashmir and Jammu Development Authority - OWP no. 1784/2016

Sanjay Mehta ("**Petitioner**") filed a petition bearing OWP no. 1784/2016 against State of Jammu and Kashmir ("**J&K**") and Jammu Development Authority ("**JDA**"), (collectively, "**Respondents**"), before the Hon'ble High Court of Jammu & Kashmir ("**J&K High Court**") under Article 226 of the Constitution of India read with Section 103 of the Constitution of Jammu and Kashmir.

The Petitioner submitted his sealed bid of Rs. 42,00,000 for Hall No. 409(A-2), Block South, 4th Floor situated in the Bahu Plaza Complex measuring 781.00 Sqft, Jammu ("**Hall**") after JDA, vide its advertisement notification, invited sealed bids for allotment of Halls/Shops available in the complex. JDA issued a letter of intent in favor of the Petitioner for allotment of the aforesaid hall on a lease basis for an initial period of 40 years, after the Petitioner's bid was successful. However, the Promoter subsequently discovered that the actual area of the Hall was 706.00 Sqft instead of 781.00 Sqft, which consequently meant that JDA had charged an excess amount for the Hall. JFA later confirmed the area to be 711.6 Sqft, which was still much less than the quoted area in the advertisement. The Petitioner, requested JDA to look into his grievance and sort out the matter amicably. However, instead of sorting out the matter amicably, JDA, called upon the Petitioner to execute the lease deed for the same premium amount of Rs. 42,00,000 along with rent at the rate of Rs. 12.50 per sq. ft. per month. The Petitioner served a notice dated July 5, 2016, to JDA to either allot the quoted area mentioned in the advertisement notification to the Petitioner or to refund Rs. 42,00,000 along with interest of 18% per annum. Upon not receiving a due response from JDA, the Petitioner filed this petition and prayed for, inter alia, (i) writ, order, or direction in the nature of writ of mandamus commanding JDA to immediately refund the amount of Rs. 42,00,000; and (ii) Writ, order, or direction in the nature of writ of mandamus commanding upon JDA to pay interest at the rate of 18% per annum from the date of receipt of the bid amount till the whole bid amount is actually refunded. The matter is currently pending and the next date of hearing is October 10, 2023.

ii. Sanjay Mehta vs. State of Jammu and Kashmir and others – Permanent PI (Civil) 15038 of 2016

Sanjay Mehta ("**Plaintiff**") filed a suit for permanent prohibitory injunction bearing number Permanent PI (Civil) 15038 of 2016 against State of Jammu & Kashmir ("**J&K**"), Divisional Forest Officer ("**DFO**"), and Range Officer ("**RO**") before Hon'ble Principal District Judge, Jammu.

The Plaintiff between the years 2012 and 2015 purchased various land parcels in Jammu ("**Suit Land**"). In the year 2016, the officials of DFO and RO (the "**DFO and RO Officials**") attempted to trespass on the Suit Land which was thwarted. The DFO and RO Officials were then informed that the suit land was purchased by the Plaintiff through eleven registered Sale Deeds from their respective owners. However, while leaving, the DFO and RO Officials claimed that the Suit Land belongs to the forest department and the department had started a plantation drive in the forest area under their jurisdiction and that they will return with more manpower and forcibly enter into the Suit Land to take forcible possession of the Suit Land and plant trees. Further, the DFO and RO Officials openly threatened the Plaintiff against interfering in their work or else they will face dire consequences. Hence, the Plaintiff filed this suit praying that the Hon'ble Principal District Judge, Jammu restrain DFO and RO and the DFO and RO Officials from interfering or causing any sort of interference directly or indirectly either themselves or through their agents or employees or representatives in the peaceful possession of the Suit Land by the Plaintiff.

The Court of Sub-Judge, (CJM), Jammu, vide its order dated August 24, 2016, directed the parties to maintain status quo to the suit land. Vide its Reply dated December 21, 2017, the Defendants claimed that the suit is not maintainable because the suit land has belonged to the forest department since 1958. However, another order dated July 25, 2018, was issued to direct the Designated Police Station to seek for implementation of order dated August 24, 2016, as the Defendants were encroaching once again. The matter is currently pending and the next date of hearing is October 7, 2023.

The matter is currently pending.

C. *Tax proceedings*

Particulars	**Number of cases**	**Aggregate amount involved to the extent ascertainable (*in Rs. lakhs*)**
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	**Nil**	**Nil**

Outstanding dues to creditors

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2023, by our Company, are set out below:

Type of creditors	**Number of creditors**	**Amount involved *(in Rs. lakhs)***
Material creditors	7	661.54
Micro, Small and Medium Enterprises	1	13.54
Other creditors	331	440.39
Total	**339**	**1,115.49**

The details pertaining to outstanding dues towards our material creditors are available on the website of our Company, along with their names and the amount involved for each such creditor at www.srmcpl.com.

Material Developments

Other than as stated in the section entitled "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments Subsequent to the last financial year***" on beginning on page 275, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER STATUTORY APPROVALS

We have set out below an indicative list of approvals obtained by our Company which are considered material and necessary for the purpose of undertaking their respective business activities. Other than as stated below, no further material approvals from any regulatory authority are required for carrying on the present business activities of our Company.

For carrying out our present business activities, which include diverse range of construction and infrastructure projects in sectors such as, road construction, canals, tunnels, bridges, retaining walls, building construction etc. We are required to obtain consents, licenses, registrations, permissions and approvals which may include registration of contract labour employed at our project sites, as applicable.

We obtain these licenses and approvals based on the requirements under the particular project being undertaken by us. These approvals may vary based on factors such as the legal requirement in the State in which the project is being undertaken, our contractual and statutory obligations, the size of the project undertaken and the type of the project. Where we have subcontracted the project or any part thereof to any subcontractor or the project is undertaken by our joint venture entities then such relevant approvals and licences may be obtained by such subcontractor or the joint venture entities.

In addition, certain of our material approvals may have expired or may expire in the ordinary course of business, from time to time and our Company has either already made an application to the appropriate authorities for renewal of such material approvals or is in the process of making such renewal applications. In relation to the business activities and operations of our Company we have also disclosed below the material approvals applied for but not received. For details in connection with the applicable regulatory and legal framework within which we operate, see ***"Key Regulations and Policies"*** *page 187.*

I. Material approvals obtained in relation to the Issue

(1) The Board of Directors has, pursuant to a resolution passed at its meeting held on August 29, 2023, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62 of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.

(2) The shareholders of the Company have, pursuant to a special resolution passed in the Extra-ordinary General Meeting held on August 30, 2023, authorized the Issue under Section 62 of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.

(3) The Company has obtained the in-principle listing approval from BSE and NSE dated [●].

II. Material approvals obtained in relation to our business and operations

Our Company has obtained the following material approvals to carry on our business and operations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

A. Incorporation details of our Company

a. Certificate of incorporation dated September 4, 2008 issued to our Company by the RoC, Jammu and Kashmir in the name of 'SRM Contractors Private Limited'.

b. Fresh Certificate of Incorporation dated August 11, 2023 issued to our Company by RoC, Jammu pursuant to conversion of the Company from private company to public company and change of name of our Company from 'SRM Contractors Private Limited' to 'SRM Contractors Limited'.

c. The Corporate Identity Number of the Company is U45400JK2008PLC002933.

B. Tax related approvals obtained by our Company

Sr. No.	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue / Renewal	Date of Expiry
1.	Permanent Account Number	AAMCS4397M*	Income Tax Department	September 4, 2008	Valid till cancelled
2.	Tax Deduction Account Number	AMRS15368D*	Income Tax Department	October 21, 2008	Valid till cancelled
3.	GST Registration Certificate – Jammu	01AAMCS4397M1ZT	Government of India	September 22, 2023	Valid till cancelled
4.	GST Registration Certificate – Ladakh	38AAMCS4397M1ZC	Government of India	September 16, 2023	Valid till cancelled
5.	Permanent Account Number (SRM-Rajinder Projects)	ABFAS2654F	Income Tax Department	April 16, 2019	Valid till cancelled
6.	Permanent Account Number (Kapahi-SRM Projects)	AAVFK0327M	Income Tax Department	January 25, 2019	Valid till cancelled
7.	Permanent Account Number (ECI-SRM Projects)	AAAAE8024F	Income Tax Department	January 27, 2014	Valid till cancelled
8.	Tax Deduction Account Number (SRM-Rajinder Projects)	AMRS20822E	Income Tax Department	December 31, 2019	Valid till cancelled
9.	Tax Deduction Account Number (Kapahi-SRM Projects)	AMRK1319D	Income Tax Department	August 24, 2019	Valid till cancelled
10.	Tax Deduction Account Number (ECI-SRM Projects)	AMRE10965D	Income Tax Department	August 18, 2018	Valid till cancelled
11.	GST Registration Certificate (SRM-Rajinder Projects)	01ABFAS2654F1ZT	Government of India	November 9, 2019	Valid till cancelled
12.	GST Registration Certificate (Kapahi-SRM Projects)	01AAVFK0327M1Z8	Government of India	March 9, 2023	Valid till cancelled
13.	GST Registration Certificate (ECI-SRM Projects)	01AAAAE8024F1ZE	Government of India	April 5, 2018	Valid till cancelled

C. Regulatory approvals of our Company

Sr. No.	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
1.	Registration Certificate of Shops and Establishment – Jammu	1144177901*	Government of Jammu and Kashmir	March 8, 2023	March 31, 2025
2.	Certificate of Registration for ISO 9001:2015 for providing services of civil construction work in public/private sector	230809019102	TNV Certifications Private Limited	September 4, 2020	August 8, 2026
3.	Legal Entity Identifier Certificate	9845002EF9OBDB3E2D29	LEI Register India	June 11, 2016	June 11, 2024
4.	UDYAM Registration Certificate	UDYAM-JK-07-0000678	Ministry of Micro, Small and Medium	October 13, 2020	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
			Enterprises		
5.	Certificate of Registration under the Employee Provident Fund	JKJMU2034519000*	Additional Provident Fund Commissioner, Jammu	March 26, 2013	Valid till cancelled
6.	ESIC – Registration Code	19000185500000999*	Employee State Insurance Corporation, Jammu	February 24, 2018	Valid till cancelled
7.	PWD Contractor Card	PWD(RandB)-J/A/69/2015-16#	J&K Public Works Department	May 2, 2023	March 31, 2026
8.	Consent to Establish for our Company's project site for hot mix plant at Village Gajansoo (Marh), Jammu North	1559 of 2016	J&K Pollution Control Committee	February 18, 2016	-
9.	Consent to Operate for our Company's project site for hot mix plant at Village Gajansoo (Marh), Jammu North	PCC/digital/23063761691 of 2023	J&K Pollution Control Committee	September 18, 2023	April 2024
10.	Consent to Establish for our JV, ECI SRM Project's project site for stone crusher at Khasra No. 491, Tehsil Chenani, Udhampur	SPCB/digital/1901889541 of 2019	J&K Pollution Control Board	November 5, 2019	-
11.	Consent to Operate for our JV, ECI SRM Project's project site for stone crusher at Khasra No. 491, Tehsil Chenani, Udhampur	PCC/digital/23063279002 of 2023	J&K Pollution Control Committee	April 21, 2023	March 2024
12.	Consent to Establish for our JV, ECI SRM Project's project site for Batching Plant at Khasra No. 491, Tehsil Chenani, Udhampur	PCC/digital/21011325785 of 2021	J&K Pollution Control Committee	July 16, 2021	-
13.	Consent to Operate for our JV, ECI SRM Projects' project site for Batching Plant at Khasra No. 491, Tehsil Chenani, Udhampur	PCC/digital/223126684 of 2022	J&K Pollution Control Committee	August 26, 2022	October 2024
14.	Contractor license for our JV, ECI-SRM Projects' project site at Chanani, Udhampur, Jammu and Kashmir - 182 141	CLRA/RLCJAMMU/2019/L-59	Office of the Regional Labour Commissioner (Central)	April 12, 2019	April 11, 2024
15.	Contractor license for our JV, SRM-Rajinder Projects' project site at Zogila Kargil Leh Road, NH 1 Zogila, Kargil, Ladakh - 194 103	CLRA/RLCJAMMU/2023/130628/L-134	Office of the Licensing Officer	August 9, 2023	August 8, 2024
16.	Contractor license for our JV, SRM-Rajinder Projects' project site at Hanle - Chumar Road, Project Himank, Leh, Ladakh - 194101	CLRA/RLCJAMMU/2022/L-147	Office of the Licensing Officer	August 5, 2022	August 4, 2024

Sr. No.	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of Issue	Date of Expiry
17.	Contractor license for our Company's project site at Gapsan, Saser Brangasa Gapshan, Gapsan, Leh, Ladakh - 194 101	CLRA/RLCJAMMU/2023/130644/L-135*	Office of the Licensing Officer	August 9, 2023	August 8, 2024
18.	Contractor license for our Company's project site at Sangaldan on the Katra Dharam Section of Udhampur, Srinagar-Baramulla Rail Link Project, Ramban, Jammu and Kashmir - 182 144	CLRA/RLCJAMMU/2020/L-61*	Office of the Licensing Officer	July 21, 2020	July 20, 2024
19.	Consent to Establish for our Company's project site for batching plant at Ramban, Gool	PCB/digital/20011567909 of 2020	J&K Pollution Control Committee	September 22, 2020	-
20.	Consent to Operate for our Company's project site for batching plant at Ramban, Gool	PCC/digital/223126802 of 2022	J&K Pollution Control Committee	August 26, 2022	September 30, 2024
21.	Contractor license for our Company's project site at D-S-DBO Road, Leh (Ladakh), Ladakh - 194 101	CLRA/RLCJAMMU/2022/L-252*	Office of the Licensing Officer	December 29, 2022	December 28, 2023
22.	Contractor license for our JV. Kapahi-SRM Project's project site at Katra Railway Station, Katra, Reasi, Jammu and Kashmir - 182 301	CLRA/RLCJAMMU/2023/L-34	Office of the Licensing Officer	March 28, 2023	March 27, 2024

** Company has made applications for updating name of the Company pursuant to its conversion from private limited company to public limited company.*

#Our Company is in the process of making an application for change in name pursuant to its conversion from private limited company to public limited company

III. Material approvals or renewals for which applications are currently pending before relevant authorities

Sr. No.	Details of Application	Application number	Date of Application
1.	Renewal of Consent to Operate for our Company's project site for batching plant at K. No. 940, Khata No. 369, Khewat No. 68, Jammu South, Bishnah bearing number PCC/digital/22042589010 of 2022	3900390	September 27, 2023
2.	Application for issue of Consent to Establish for our Company's project site for hot mix plant at Khasra No 760 (Norhern Railway acquired Land) at village Sumber, Ramban, 182 144	3907964	July 28, 2023
3.	Application for issue of Consent to Operate for our Company's project site for hot mix plant at Khasra No 760 (Norhern Railway acquired Land) at village Sumber, Ramban, 182 144	3907996	June 29, 2023
4.	Renewal of Consent to Operate for our JV, ECI SRM Project's project site for hot mix plant at Khasra No. 491, Tehsil Chenani, Udhampur	3842251	July 13, 2023

Sr. No.	Details of Application	Application number	Date of Application
	bearing number PCC/digital/23062941765 of 2023		
5.	Application for registration certification under the Shops And Establishment Act for the establishment of our Company situated in Leh made to the Office of the Assistant Labour Commissioner	-	September 20, 2023
6.	Application for permission made by our JV, SRM-Rajinder Projects for setting up of a stone crusher, WMM plant and hot mix plant made to the Chief Engineer, Project Vinayak, opposite to Kargil Petrol Pump, C/O 56 APO, UT of Ladakh - 931 721	-	May 20, 2023
7.	Application for permission made by our JV, SRM-Rajinder Projects for setting up of a stone crusher, WMM plant and hot mix plant made to the Office of the Deputy Commissioner, Leh District, Leh, Administration of UT Ladakh – 194 101	-	August 22, 2022
8.	Application for permission made by our Company for issue of Form III to enable the Company to make an application for labour license for Project Himank in Ladakh to the Chief Engineer, Project Himank, Choglamsar – 194 104	-	September 8, 2023

IV. Material approvals expired and renewal yet to be applied for

Nil

V. Material approvals required but not obtained or applied for

Nil

VI. Intellectual Property

Our Company has made application for registration of our Trademark with the Registrar of Trademarks under the Trademarks Act. We set out below the details of such trademark:

Serial No.	Particulars of the Mark	Application No.	Class	Date of Application
1.		9307260	37	September 28, 2023

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals

Our Board has authorized the Issue pursuant to the resolution passed at its meeting held on August 29, 2023 and our Shareholders have approved the Issue pursuant to a special resolution in Extra-ordinary General Meeting dated August 30, 2023 in terms of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013.

This Draft Red Herring Prospectus has been approved by our Board of Directors pursuant to the resolution passed at its meeting held on September 29, 2023. For further details, please see "***The Issue***" on page 66.

In-principle Listing Approvals

Our Company has received in-principle approvals from the BSE and NSE for the listing of our Equity Shares pursuant to its letter dated [●] and [●], respectively.

Prohibition by the SEBI, the RBI or Governmental Authorities

Our Company, our Promoters, members of Promoter Group, our Directors or persons in control of our Company are not prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by the Board or any other authorities.

None of our Directors are associated with the securities market in any manner and no outstanding action has been initiated against them by the SEBI in the five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoters or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters and members of Promoter Group severally and not jointly confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended ("**SBO Rules**"), to the extent applicable to them, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

1. Our Company has net tangible assets of at least ₹300.00 lakhs, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each);
2. Our Company has an average operating profit of at least ₹1500.00 lakhs, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
3. Our Company has a net worth of at least ₹100.00 lakhs in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and
4. Our Company has not changed its name in the last one year, except for the change of name from 'SRM

Contractors Private Limited' to 'SRM Contractors Limited' pursuant to a change in status to public limited company from private limited company. Our Company has not undertaken any new activity pursuant to such a change in name.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, have been derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Fiscals, which are set forth below:

(in ₹ lakhs unless stated otherwise)

Particulars	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
Restated Net Tangible Assets (A)[(1)*]	6,316.06	4,441.47	2,684.70
Operating Profit (B)[(2)*]	3,048.86	2,395.09	1,127.15
Net Worth (C)[(3)*]	6,293.45	4,436.65	2,680.05
Restated Monetary Assets (D)[(4)*]	2,066.59	1,665.35	1,584.84
Restated Monetary Assets as a Percentage of the Restated Net Tangible Assets (D)/(A)	32.72%	37.50%	59.03%

[*] *As restated and consolidated*

(1) *"Net Tangible Assets" means, as restated and consolidated, the sum of all net assets of the Issuer, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38, issued by the Institute of Chartered Accountants of India.*
(2) *"Operating profit" means, as restated and consolidated, the profit before finance costs, other income and tax expenses.*
(3) *"Net worth" means, as restated and consolidated, the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation*
(4) *"Monetary Assets" means cash in hand, balance with bank in current and deposit account (net of bank deposits not considered as cash and cash equivalent.*

Our Company confirms that it is also in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of allottees shall not be less than 1,000, failing which, the entire application money will be refunded forthwith.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 and 7(1) of the SEBI ICDR Regulations, as follows:

(a) Neither our Company nor our Directors nor any of the Promoters and Promoter Group are debarred from accessing the capital markets by the SEBI.
(b) None of our Promoters or Directors is promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
(c) Neither our Company nor any of our Promoters or Directors has been declared a Wilful Defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.
(d) None of our Promoters or Directors is a fugitive economic offender (in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018).
(e) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus.
(f) Our Company, along with the Registrar to the Issue, has entered into a tripartite agreement dated September 14, 2023 with NSDL, for dematerialization of the Equity Shares. Our Company, along with the Registrar to the Issue, has also entered into a tripartite agreement dated September 12, 2023 with CDSL, for dematerialization of the Equity Shares;
(g) The Equity Shares of our Company held by our Promoters are in the process of being dematerialised;
(h) There are no outstanding convertible securities or any other right which would entitle any person with any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus; and
(i) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, as the

entire objects of the Issue are proposed to be financed from the Issue proceeds.

Disclaimer Clauses

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER BEING INTERACTIVE FINANCIAL SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGE ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of the Companies Act, 2013.

Disclaimer from our Company, our Promoters, our Directors and the BRLM

Our Company, our Promoters, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance, and anyone placing reliance on any other source of information, including our Company's website www.srmcpl.com or the respective websites of our Promoter Group or any website of any of our affiliate of our Company, would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered.

All information shall be made available by our Company and the BRLM to the investors and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None among our Company or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Caution

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and their associates and affiliates, in their capacity as principals or agents, may engage in transactions with, and perform services for, our Company, our Promoters and members of our Promoter Group and their respective affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Promoters and members of our Promoter Group and their respective affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Jammu, Union Territory of Jammu & Kashmir, India.

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, Hindu Undivided Families ("**HUFs**"), companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), systemically important non-banking financial companies or trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other applicable trust laws, and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, venture capital funds, permitted insurance companies, provident funds and pension funds with a minimum corpus of ₹25,00,00,000/- (Rupees twenty-five hundred lakhs only), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and to permitted systemically important NBFCs registered with the RBI, non-residents including Eligible NRIs, Alternative Investment Funds. Foreign Portfolio Investors registered with SEBI, venture capital fund, foreign venture capital fund and QIBs.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered in the Issue in any jurisdiction. Invitations to subscribe to or purchase the Equity Shares in the Issue shall be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India. **No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.**

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus will be filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Issue have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States (as defined in Regulation S under the U.S. Securities Act ("**Regulation S**") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S.

Each purchaser of the Equity Shares in the Issue who does not receive a copy of the preliminary offering memorandum for the Issue shall be deemed to:

- Represent and warrant to our Company, and the BRLM and the Syndicate Member(s) that its Bid did not exceed investment limits or the maximum number of Equity Shares that can be held by it under applicable law.
- Acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.
- Represent and warrant to our Company, the BRLM and the Syndicate Member(s) that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares offered in the Issue was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares offered in the Issue was originated.
- Represent and warrant to our Company, the BRLM and the Syndicate Member(s) that it did not purchase the Equity Shares offered in the Issue as result of any "directed selling efforts" (as defined in Regulation S).
- Represent and warrant to our Company, the BRLM and the Syndicate Member(s) that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Issue, it agrees that it will not offer, sell, pledge or otherwise transfer any of the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration requirements under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.
- Agree to indemnify and hold our Company, the BRLM and the Syndicate Member(s) harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Issue.
- Represent and warrant to our Company, the BRLM and the Syndicate Member(s) that if it acquired any of the Equity Shares offered in the Issue as fiduciary or agent for one or more investor account(s), it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- Represents and warrant to our Company, the BRLM and the Syndicate Member(s) that if it acquired any of the Equity Shares offered in the Issue for one or more managed account(s), that it was authorized in writing by each such managed account to subscribe to the Equity Shares offered in the Issue for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.
- Acknowledge that our Company, the BRLM and the Syndicate Member(s) and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for permission to deal in and for listing and trading of the Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company, and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within such time prescribed by SEBI of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Issue such time as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

Consents

Consents in writing of each of our Promoters, our Directors, our Company Secretary and Compliance Officer, the BRLM, the Registrar to the Issue, Legal Counsel to the Issue, D&B India, Statutory Auditor, have been obtained; and consents in writing of the Syndicate Members, Monitoring Agency, the bankers to our Issue to act in their respective capacities, will be obtained. Such consents shall not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus with the SEBI.

Experts to the Issue

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written dated September 25, 2023 from M/s. Satyendra Mrinal & Associates, Chartered Accountants, to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of (i) the examination reports on the Restated Financial Statements and their examination report dated August 29, 2023; and (ii) the Statement of Possible tax benefits dated September 25, 2023, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Particulars regarding Public or Rights Issues of our Company during the last five years

Our Company has not made any public or rights issue during the last five years preceding the date of this Draft Red Herring Prospectus.

Commission or Brokerage on Previous Issues since the incorporation of our Company

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by our Company/ Subsidiaries

Except as disclosed in "***Capital Structure – Share capital history of Company***" beginning on page 79 of the Draft Red Herring Prospectus, our Company have not made any capital issues since its inception.

Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any listed group companies, subsidiaries or associates.

Performance vis-à-vis Objects – Public/ rights issue of our Company

Our Company has not undertaken any Public/ rights issues since its inception.

Performance *vis-à-vis* Objects – Public/ rights issue of the listed Subsidiaries/listed promoters of our Company

Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any listed group companies, subsidiaries or associates.

Price information of past issues handled by the BRLM

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Interactive Financial Services Limited:

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price ()	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Bhatia Colour Chem Limited(BSE SME)	40.00	80	March 24, 2022	40.00	-36.50% (-0.69%)	-40.56% (-8.79%)	-30.00% (+2.68%)
2.	Global Longlife Hospital and Research Ltd (BSE SME)	49.00	140	May 04, 2022	141.10	-40% (+0.27%)	-43.64% (+4.39%)	-47.00% (+9.12%)
3.	Rachana Infrastructure Ltd (NSE EMERGE)	76.28	135	June 10, 2022	138.00	+62.44% (+0.09%)	+250.04% (+8.78%)	+716.59% (+16.17)
4.	Dipna Pharmachem Limited (BSE SME)	15.21	38	September 08, 2022	32.00	-41.05% -2.51%	-44.74% (+4.92%)	-61.97% (+0.90%)
5.	Pace E-Commerce Ventures Limited (BSE SME)	66.53	103	October 20, 2022	104.50	-61.99% (+4.16%)	-72.91% (+2.45%)	-62.37% (+8.57%)

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price ()	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
6.	Patron Exim Limited (BSE SME)	16.68	27	March 06, 2023	28.40	-73.30% (-1.86%)	-64.37% (+4.26%)	+62.37% (+8.57%)
7.	Prospect Commodities Limited (BSE SME)	7.47	61	March 20, 2023	61.00	+11.89% (+3.64%)	+16.39% (+9.61%)	+16.85% (+17.72)
8.	Sahana System Limited (NSE EMERGE)	32.74	135	June 12, 2023	163.00	+10.59% (+4.50%)	+94.26% (+7.50%)	NA
9.	Bizotic Commercial Limited (BSE SME)	42.21	175	June 23, 2023	180.00	-67.91% (+5.41%)	-63.14% (+6.07%)	NA
10.	Tridhya Tech Limited (NSE EMERGE)	26.41	42	July 13, 2023	42.00	-1.19% (+0.07%)	NA	NA
11.	Crop Life Science Limited (NSE EMERGE)	26.73	52	August 30, 2023	55.95	NA	NA	NA

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Interactive Financial Services Limited

Financial year	Total no. of IPO	Total funds Raised (Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium 30th Calendar from listing date			Nos of IPOs trading at discount 180th Calendar day from listing date			Nos of IPOs trading at premium 180th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less Than 25%
2021-22	1	40.00	NA	1	NA	NA	NA	NA	NA	1	NA	NA	NA	NA
2022-23	6	231.17	2	2	NA	1	NA	1	3	1	NA	1	NA	1
2023-24	4	128.08	1	NA	1	NA	NA	1	NA	NA	NA	NA	NA	NA

Track record of past issues handled by the BRLM

For details regarding the track record of the BRLM, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please visit the website of the BRLM i.e. www.ifinservices.in.

Stock Market Data of the Equity Shares

This being the initial public issuing of the Equity Shares of our Company, the Equity Shares is not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of Investor Grievances

SEBI, by way of its circular dated March 16, 2021 ("**March 2021 Circular**") as amended by its circular dated April 20, 2022, has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. SCSBs are required to resolve these complaints within fifteen (15) days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of fifteen (15) days. Pursuant to the March 2021 Circular, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank(s) containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one (1) Working Day subsequent to the finalisation of the Basis of Allotment.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI Master Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more than the Bid Amount	1. Instantly revoke the difference amount i.e., blocked amount less the Bid Amount; 2. ₹100 per day or 15% per	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock

Scenario	Compensation amount	Compensation period
	annum of the difference amount, whichever is higher	
Delayed unblock for non-Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLM shall be liable to compensate the investor by ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least eight (8) years from the date of listing and commencement of trading of the Equity Shares, pursuant to the Issue, or such other period as may be prescribed under applicable law to enable the investors to approach the Registrar to the Issue for redressal of their grievances. All grievances in relation to the Bidding process, other than of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM with whom the Bid cum Application Form was submitted by the Anchor Investor.

For helpline details of the BRLM pursuant to the March 2021 Circular, please see *"**General Information- Book Running Lead Manager**"* on page 73.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Issue.

Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with their obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case any pre Issue or post Issue related problem such as non-receipt of letter of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Disposal of Investor Grievances by our Company

We estimate that the average time required by our Company and/or the Registrar to the Issue for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Arun Mathur as the Company Secretary and Compliance Officer and he may be contacted in case of any Pre-Issue or Post-Issue related problems, at the address set forth hereunder.

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Trikuta Nagar, Jammu – 180012
Jammu and Kashmir, India
Tel: +91 84918 77114 / + 0191 2472729
E-mail: cs@srmcpl.com

Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and as on date, there are no investor complaints pending.

Further, our Company has constituted a Stakeholders' Relationship Committee, which is responsible for the review and redressal of grievances of the security holders of our Company. For details, see "***Our Management***" beginning on page 204.

Our Company shall obtain authentication on the Securities and Exchange Board of India Complaints Redress System ("**SEBI SCORES**") and shall comply with the SEBI circulars in relation to redressal of investor grievances through SCORES.

Other confirmations

Any person connected with the Issue shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Issue, except for fees or commission for services rendered in relation to the Issue.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

As on the date of this Draft Red Herring Prospectus, our Company has not been granted by SEBI, any exemption from complying with any provisions of securities laws

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and Allotted pursuant to the Issue will be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the Abridged Prospectus, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as maybe prescribed by such governmental, regulatory or statutory authority while granting its approval for the Issue.

The Issue

The Issue consists of a Fresh Issue by our Company.

Ranking of the Equity Shares

The Equity Shares being issued and Allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment, in accordance with applicable law. For further details, please see *"**Main Provisions of the Articles of Association**"* on page .

Mode of payment of dividend

Our Company will pay dividends, if declared, to the shareholders of our Company, as per the provisions of the Companies Act, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association, and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Allottees who have been Allotted Equity Shares in the Issue, in accordance with applicable law. For further details, please see *"**Dividend Policy**"* and *"**Description of Equity Shares and Terms of the Articles of Association**"* on pages 224 and 342, respectively.

Face Value, Issue Price, Floor Price and Price Band

The face value of the Equity Shares is ₹10/- each. The Floor Price of the Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot for the Issue will be decided by our Company, in consultation with the BRLM, and shall be published at least two (2) Working Days prior to the Bid/Issue Opening Date, in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and all edition of [●] (a widely circulated Urdu daily newspaper, Urdu being the regional language of Union Territory of Jammu and Kashmir, where our Registered Office is located) respectively, and shall be made available to the Stock Exchanges for the purpose of uploading the same on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid cum Application Forms available at the respective websites of the Stock Exchanges. The Cap Price shall be atleast 105% of the Floor Price. The Issue Price and discount (if any) shall be determined by our Company, in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point in time there will be only one denomination for the Equity Shares.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations from time to time.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the equity shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, the equity shareholders will have the following rights:

(i) Right to receive dividends, if declared;
(ii) Right to attend general meetings and exercise voting powers, unless prohibited by law;
(iii) Right to vote on a poll either in person or by proxy or e-voting in accordance with the provisions of the Companies Act, 2013;
(iv) Right to receive offers for rights shares and be allotted bonus shares, if announced;
(v) Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
(vi) Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
(vii) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013 the SEBI Listing Regulations, our Memorandum of Association, Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, please see *"**Description of Equity Shares and terms of the Articles Of Association**"* on page 342.

Allotment of Equity Shares only in dematerialised form

Pursuant to section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, the following agreements have been entered into amongst our Company, the respective Depositories and the Registrar to the Issue:

(i) Tripartite agreement dated September 14, 2023 among NSDL, our Company and the Registrar to the Issue; and
(ii) Tripartite agreement dated September 12, 2023 among CDSL, our Company and Registrar to the Issue.

The Company's Equity Shares bear ISIN no. INE0R6Z01013

Market lot and trading lot

Since trading of the Equity Shares shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares to QIBs and RIBs. For NIBs, allotment shall not be less than the minimum non-Institutional application size. For the method of Basis of Allotment, please see *"**Issue Procedure**"* on page 321.

Jurisdiction

The courts of Jammu, India will have exclusive jurisdiction for the purpose of the Issue.

Joint holders

Subject to the provisions of our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Nomination Facility to investors

In accordance with section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or the first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest, to the exclusion of all other persons, unless the nomination is verified or cancelled in the prescribed manner.

A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with section 72 of the Companies Act, 2013, be entitled to the same benefits to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of the holder's death during minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the holder of such Equity Share(s) / person nominating. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar of our Company. Further, a nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form. Further, any person who becomes a nominee by virtue of section 72 of the Companies Act 2013 as mentioned above, shall, on the production of such evidence as may be required by our Board, elect either:

(i) to register himself or herself as holder of Equity Shares; or
(ii) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participants.

Bid / Issue Period

BID/ISSUE OPENS ON	[●][1]
BID/ISSUE CLOSES ON	[●][2][3]

[1] *Our Company, in consultation with the BRLM, may allocated up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.*

[2] *Our Company, shall, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

[3] *UPI mandate end time and date shall be 5.00 PM on Bid/Issue Closing Date.*

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

Event	Indicative Date
BID/ISSUE CLOSING DATE	[●]
FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	On or about [●]
INITIATION OF REFUNDS (IF ANY, FOR ANCHOR INVESTORS)/ UNBLOCKING OF FUNDS FROM ASBA ACCOUNT*	On or about [●]
CREDIT OF EQUITY SHARES TO DEMAT ACCOUNTS OF ALLOTTEES	On or about [●]
COMMENCEMENT OF TRADING OF THE	On or about [●]

Event	Indicative Date
EQUITY SHARES ON THE STOCK EXCHANGES	

*** In terms of SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. The BRLM shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, March 2021 Circular, June 2021 Circular and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. For details, please see "**Other Regulatory and Statutory Disclosures- Mechanism for redressal of investor grievances**" on page 308.*

The above timetable is indicative and does not constitute any obligation or liability on our Company or the BRLM. While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within such period as may be prescribed by SEBI, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

In terms of the UPI Circulars, in relation to the Issue, the BRLM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Issue Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI is in the process of streamlining and reducing the post issue timeline for initial public offers and has vide SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 notified the proposal for reducing the time period for listing of shares in public issue from existing 6 days to 3 days. The revised timeline of T+3 days has been made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Any circulars or notifications from SEBI after this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the Issue procedure is subject to change based on any revised SEBI circulars to this effect.
Submission of Bids (other than Bids from Anchor Investors)

Bid/ Issue Period (except the Bid/Issue Closing Date)	
Submission and revision in Bids	Only between 10.00 am and 5:00 pm Indian Standard Time ("**IST**")
Bid/ Issue Closing Date	
Submission and revision in Bids	Only between 10.00 am and 3:00 pm IST

**UPI mandate end time shall be 5:00 pm on the Bid / Issue Closing Date.*

On the Bid/Issue Closing Date, the Bids shall be uploaded until:
(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors; and
(ii) Until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by RIBs, after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the Registrar to the Issue on a daily basis, as per the format prescribed in March 2021 Circular and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids s not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs, or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date, and in any case, no later than 1:00 p.m. IST on the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid/Issue Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Issue Period. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period till 5.00 pm on the Bid/Issue Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period, in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side i.e., the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding ten Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, in consultation with the BRLM may, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding ten Working Days.

Any revision in the Price Band and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of Price Band, the Bid lot shall remain the same.

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Issue, and (ii) a subscription in the Issue equivalent to at least 25% post-Issue paid up Equity Share capital of our Company, as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/Issue Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid/Issue Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being issued under this Draft Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days, our Company to the extent applicable, shall pay interest at the rate of 15% per annum including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders and subscription money will be refunded. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be traded in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Issue.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Restrictions, if any, on Transfer and Transmission of Equity Shares

Except for the lock-in of pre-Issue Equity Share capital of our Company, lock-in of our Promoters' contribution and Anchor Investors' lock-in, as detailed in *"**Capital Structure**"* on page 79 and except as provided in our Articles of Association as detailed in *"**Description of Equity Shares and Terms of the Articles of Association**"* on page 342, there are no restrictions on transfers and transmission of Equity Shares /debentures and on their consolidation or splitting.

Withdrawal of the Issue

The Issue will be withdrawn in the event that 90% of the Fresh Issue portion is not subscribed.

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue for any reason at any time after the Bid/ Issue Opening Date but before the Allotment.

In such an event, our Company would issue a public notice in the same newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLM, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank(s) to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. In the event of withdrawal of the Issue and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

ISSUE STRUCTURE

This Issue is being made through the Book Building Process. The Initial public offering of up to 62,00,000 Equity Shares of face value of ₹10 each, for cash at a price of ₹[●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] lakhs by our Company. The face value of the Equity Shares is ₹10 each. The Issue shall constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.

In terms of rule 19(2)(b) of the SCRR, the Issue is being made through the Book Building Process, in compliance with regulation 6(1) and 31 of the SEBI ICDR Regulations

Particulars	QIBs [1]	Non-Institutional Bidders / Investors	Retail Individual Bidders / Investors
Number of Equity Shares available for Allotment/ allocation* [2]	Not more than [●] Equity Shares, aggregating up to ₹ [●] lakhs	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIBs and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIBs and Non-Institutional Bidders
Percentage of Issue Size available for Allotment/ allocation	Not more than 50% of the Issue shall be available for allocation to QIBs. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs.	Not less than 15% of the Issue less allocation to QIBs and Retail Individual Bidders will be available for allocation. One-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000. Under-subscription in either of these two subcategories of the Non-Institutional Portion may be allocated to Bidders in the other sub-category of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.	Not less than 35% of the Issue less allocation to QIBs and Non-Institutional Bidders will be available for allocation.
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and	The allotment of specified securities to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion, and the remainder, if any, shall	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allocated on a

Particulars	QIBs [1]	Non-Institutional Bidders / Investors	Retail Individual Bidders / Investors
	(b) up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Not more than [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.	be allocated on a proportionate basis, subject to valid Bids being received at or above the Issue Price, in accordance with the SEBI ICDR Regulations. Further, (a) one-third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Investors.	proportionate basis. For further details, please see *"**Issue Procedure**"* on page 321.
Mode of Bidding	Through ASBA process only (excluding the UPI Mechanism) except for Anchor Investors	Through ASBA process only (including the UPI Mechanism for a Bid size of up to ₹500,000)	Through ASBA process only (including the UPI Mechanism)
Minimum Bid	Such number of [●] Equity Shares in multiples of [●] Equity Shares, such that the Bid Amount exceeds ₹200,000	Such number of Equity Shares in multiples of [●] Equity Shares, such that the Bid Amount exceeds ₹200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter, such that the Bid Amount does not exceed ₹200,000
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue (excluding the Anchor Investor Portion), subject to applicable limits under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue (excluding the QIB Portion), subject to applicable limits under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply[3][4]	Public financial institutions as specified in section 2(72) of the Companies Act, scheduled	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies,	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the Karta)

Particulars	QIBs [(1)]	Non-Institutional Bidders / Investors	Retail Individual Bidders / Investors
	commercial banks, mutual funds, FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹2,500 lakhs, pension funds (subject to applicable law) with minimum corpus of ₹2,500 lakhs, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies	corporate bodies, scientific institutions, societies, and trusts and any individuals, corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI.	
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids. **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the Bidders, or by the Sponsor Bank(s) through the UPI mechanism (other than Anchor Investors), that is specified in the Bid cum Application Form at the time of submission of the Bid cum Application Form.		

** Assuming full subscription in the Issue.*

(1) Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to the Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹1,000 lakhs, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹1,000 lakhs but up to ₹25,000 lakhs under the Anchor Investor Portion, subject to a minimum Allotment of ₹500 lakhs per Anchor Investor, and (iii) in case of allocation above ₹25,000 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹25,000 lakhs, and an additional 10 Anchor Investors for every additional ₹25,000 million or part thereof will be permitted, subject to minimum allotment of ₹500 lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹1,000 lakhs. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion.

(2) Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with rule 19(2)(b) of the SCRR, through the Book Building Process and in compliance with regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue will be available for allocation to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not less than 15% of the Issue will be available for allocation to Non-Institutional Bidders, of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size exceeding ₹200,000 and up to ₹1,000,000 and two-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹1,000,000 and under-subscription in either of these two subcategories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Issue will be available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or a combination of categories, as applicable, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, subject to valid Bids

being received at or above the Issue Price and in accordance with applicable laws. Under-subscription, if any, in the Net QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Form, provided that any positive difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Issue Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

Bids by FPIs with certain structures as described under *"**Issue Procedure**"* on page 321 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least three (3) additional Working Days after such revision of the Price Band, subject to the total Bid/ Issue Period not exceeding ten (10) Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

ISSUE PROCEDURE

*All Bidders should read the General Information Document, for Investing in Publics Issue prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars ("**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications and electronic registration of bids; (viii) submission of Bid cum Application Form; (ix) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (x) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xi) mode of making refunds; and (xii) interest in case of delay in Allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, vide SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, Phase III has been notified, and accordingly the revised timeline of T+3 days (i.e., the time duration from public issue closure to listing of be 3 Working Days) has been made applicable in two phases i.e., (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023 ("**UPI Phase III**"). Accordingly, the Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular no. SEBI/HO/CFD/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances.*

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 500,000 *shall use the UPI Mechanism.*

Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The BRLM shall be the nodal entity for any issues arising out of public issuance process. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four (4) Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four (4) Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of application monies from fifteen (15) days to four (4) days.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Our Company, the BRLM and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and in the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Issue is being made in terms of rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of Net Issue shall be allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLM in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them 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 QIB Portion. Further, 5% of the net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the 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 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹2,00,000 and up to ₹10,00,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹10,00,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Further, not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN and UPI ID (for RIBs using the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six (6) Working Days during this phase. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

Phase III: Pursuant to SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, Phase III has been notified, and accordingly the revised timeline of T+3 days (i.e., the time duration from public issue closure to listing of be 3 Working Days) has been made applicable in two phases i.e., (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023 (T+3 Circular).

The Issue will be made under UPI Phase II of the UPI Circulars, unless Phase III of the UPI Circulars becomes effective and applicable on or prior to the Bid/Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circulars, the same will be advertised in shall be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and all editions of [●] (Urdu being the regional language of Jammu, where our Registered Office is located), on or prior to the Bid/Issue Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Issue BRLM will be required to compensate the concerned investor.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹5.00 lakhs, shall use the UPI Mechanism. Individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹2.00 lakhs and up to ₹5.00 lakhs, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Electronic registration of Bids

(i) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Issue.

(ii) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(iii) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period till 5:00 pm on the Bid/ Issue Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Bid cum Application Form

Copies of the ASBA Forms and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered Office. An electronic copy of ASBA Forms will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date. Anchor Investor Application Forms shall be available at the offices of the BRLM at the Anchor Investor Bidding Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process, which shall include the UPI Mechanism in the case of UPI Bidders. UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by UPI Bidders with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI

Bids by ASBA Bidders

ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID (in case of RIBs), as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected.

Applications made by the Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Issue through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. . For all initial public offerings opening on or after September 1, 2022, as specified in SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. This circular shall be applicable for all categories of investors viz. Retail, QIB, NII and other reserved categories and also for all modes through which the applications are processed. Since the Issue is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs with the Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) RIIs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIBs (other than UPI Bidders) may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which is effective from September 1, 2022.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLM.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs and Eligible NRIs, FVCIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]

** Excluding electronic Bid cum Application Forms*

Notes:

(a) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com.)

(b) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLM.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

In case of ASBA Forms, the relevant Designated Intermediaries shall capture and upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders, for blocking of funds. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid/Issue Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the BRLM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, issued by SEBI and circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with Issuer banks and Sponsor Banks on a continuous basis.

For ASBA Forms (other than RIIs Bidding using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Issue Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

Participation by associates and affiliates of the BRLM and the Syndicate Members, Promoter, Promoter Group and persons related to Promoter / Promoter Group

The BRLM and the Syndicate Members shall not be allowed to purchase the Equity Shares in the Issue in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLM and the Syndicate Members may bid for Equity Shares in the Issue, either in the Net QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such Bid subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLM nor any associates of the BRLM can apply in the Issue under the Anchor Investor Portion:

(1) Mutual funds sponsored by entities which are associate of the BRLM
(2) Insurance companies promoted by entities which are associate of the BRLM
(3) AIFs sponsored by the entities which are associate of the BRLM; or
(4) FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the BRLM;
(5) Pension funds (registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory Authority and Development Authority Act, 2013) sponsored by entities which are associate of the BRLM.

Further, persons related to our Promoter and Promoter Group shall not apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a *"person related to the Promoter or Promoter Group"*: (a) rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of a BRLM, if:
(a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or
(b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
(c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLM.

Our Promoter and the members of the Promoter Group will not participate in the Issue.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable laws.

In case of multiple Bids, bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any company, provided that the limit of 10% shall not be applicable for investments in case of index fund or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorise their SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders bidding through UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms should authorise their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] colour).

Participation of Eligible NRIs in the Issue shall be subject to the FEMA Non-debt Instrument Rules. Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment.

For details of restrictions on investments by NRIs, please see *"**Restrictions on Foreign Ownership of Indian Securities**"* on page 341

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the karta. The Bidder/applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or First Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-debt Instruments Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up

Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLM reserves the right to reject any Bid without assigning any reason, subject to applicable laws.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

(i) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
(ii) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for non-residents. Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

(i) FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;
(ii) Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
(iii) Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
(iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
(v) Multiple branches in different jurisdictions of foreign bank registered as FPIs;
(vi) Government and Government related investors registered as Category 1 FPIs; and

(vii) Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the Applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid.

Further, please note that as disclosed in the Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus."

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the **"FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Issue Equity Share capital shall be liable to be rejected.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least six months period from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate equity investments in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the bank's paid-up share capital and reserves. However, a banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company subject to compliance with applicable requirements.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(i) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;

(ii) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(iii) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (i), (ii) and (iii) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,00,000 million or more but less than ₹ 25,00,000 million.*

Insurance companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI; (ii) certified copy of its last audited financial statements on a standalone basis; (iii) a net worth certificate from its statutory auditor; and (iv) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be prescribed by RBI from time to time.

For more information, please read the General Information Document.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Issue.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with minimum corpus of ₹2,500 lakhs and pension funds with a minimum corpus of ₹2,500 lakhs, in each case, subject to applicable law and in accordance with their respective constitutional documents a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the, in consultation with the BRLM, may deem fit, without assigning any reasons thereof.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

(i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.
(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹1,000 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application

size of ₹1,000 lakhs.

(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(iv) Bidding for Anchor Investors will open one Working Day before the Bid/Issue Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.

(v) Our Company, in consultation with the BRLM may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

   (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹1,000 lakhs;

   (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹1,000 lakhs but up to ₹ 25,000 lakhs, subject to a minimum Allotment of ₹500 lakhs per Anchor Investor; and

   (c) in case of allocation above ₹25,000 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹25,000 lakhs, and an additional 10 Anchor Investors for every additional ₹25,000 lakhs, subject to minimum Allotment of ₹500 lakhs per Anchor Investor.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchanges.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price.

(ix) 50% Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

(x) Neither the BRLM nor any associate of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs, other than individuals, corporate bodies or family offices sponsored by the entities which are associate of the BRLM or pension funds sponsored by entities which are associates of the BRLM) nor any person related to the Promoter or member of our Promoter Group shall apply in the Issue under the Anchor Investor Portion.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹2,500 lakhs, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable law, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/ Issue Period and withdraw or lower the size of their Bid(s) until Bid/ Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/ Issue Period.

Do's:

1. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021;
2. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
3. Ensure that you have Bid within the Price Band;
4. Ensure that (other than Anchor Investors) you have mentioned correct details of ASBA Account (i.e., bank account or UPI ID, as applicable) and PAN in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
6. Retail Individual Investors Bidding using the UPI Mechanism shall make Bids only through the SCSBs, Mobile Applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
7. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
8. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
9. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Retail Individual Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, sub-Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
11. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;
12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in

which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case of joint Bids;

13. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
14. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
15. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
17. Ensure that the Demographic Details are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
19. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents, including a copy of the power of attorney, are submitted;
21. Ensure that Bids submitted by any person resident outside India should be in compliance with applicable foreign and Indian laws;
22. Retail Individual Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
23. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
24. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;
25. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/Issue Closing Date;
26. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, were required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids are liable to be rejected;
27. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM;
28. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI (at www.sebi.gov.in)

or such other websites as updated from time to time;

29. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
30. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
31. Retail Individual Investors Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;
32. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner and;
33. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Issue.
34. Ensure that the Anchor Investors submit their Bid cum Application Forms only to the BRLM;
35. The ASBA Bidders shall ensure that bids above ₹5,00,000 are uploaded only to the SCSBs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
8. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms;
9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue/Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
12. Do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;
13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Issue Closing Date;
14. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
15. If you are a RIB and are using UPI mechanism, do not submit more than one Bid cum Application Form

for each UPI ID

16. Do not submit the General Index Register (GIR) number instead of the PAN;
17. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Investors)
18. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
19. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors revise or withdraw their Bids until the Bid/Issue Closing Date;
21. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
22. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Investors using the UPI Mechanism;
23. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
24. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
25. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a Retail Individual Investor Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or Mobile Applications and/or UPI handle that is not listed on the website of SEBI;
26. Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;
27. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
28. RIIs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected;
29. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism); and
30. Do not Bid if you are an OCB;
31. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
32. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹5,00,000.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For further details of Company Secretary and Compliance Officer, please see "***General Information- Company Secretary and Compliance Officer***" on page 73.

For helpline details of the BRLM pursuant to the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see "***General Information –Book Running Lead Manager***" on page 73.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manners specified in the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares through the Issue Document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Issue may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to applicants other than to the RIBs, NIIs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities Allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis.

The Allotment to each NII shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in Schedule XIII to the SEBI ICDR Regulations.

Payment into Escrow Account for Anchor Investors

Our Company in consultation with the BRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Issue through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(1) In case of resident Anchor Investors: "[●]"

(2) In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Bank and the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will, after registering this Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all edition of [●] (a widely circulated English national daily newspaper), all edition of [●] (a widely circulated Hindi national daily newspaper), and all edition of [●] (a widely circulated Urdu Regional Daily newspaper) (Urdu being the regional language of Union Territory of Jammu and Kashmir where our Registered Office is located). Our Company shall, in the pre-Issue advertisement state the Bid/Issue Opening Date, the Bid/Issue Closing Date and the QIB Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of under the SEBI ICDR Regulations.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the BRLM and the members of the Syndicate is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares for do not exceed the prescribed limits under applicable laws or regulations.

Allotment Advertisement

Our Company, the BRLM and the Registrar to the Issue shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in: (i) all editions of [●], a widely circulated English national daily newspaper; (ii) all editions of [●], a widely circulated Hindi national daily newspaper; and (iii) all editions of [●], a widely circulated Urdu national daily newspaper, Urdu also being the regional language of Jammu, where our Registered Office is located).

Signing of Underwriting Agreement and filing with the Registrar of Companies

Our Company intends to enter into an Underwriting Agreement after the finalisation of the Issue Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC, in accordance with applicable law. The Prospectus will contain details of the Issue Price, Anchor Investor Issue Price, Issue size and underwriting arrangements and will be complete in all material respects.

Depository Arrangements

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Tripartite Agreement dated September 14, 2023 among NSDL, our Company and the Registrar to the Issue.
2. Tripartite Agreement dated September 12, 2023 among CDSL, our Company and Registrar to the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"*Any person who—*

A. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

B. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

C. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months period extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹50 lakhs or with both.

Undertakings by our Company

Our Company undertakes the following:

(i) the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws, failing which interest will be due to be paid to the Bidders at the rate prescribed under the applicable laws for the delayed period;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Issue Closing Date or such other time as may be prescribed under the applicable laws;

(iv) the funds required for making refunds/ unblocking (to the extent applicable) to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that if our Company does not proceed with the Issue after the Bid/Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly

(vii) that if our Company, in consultation with the BRLM, withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh draft Issue document with the SEBI, in the event our Company subsequently decides to proceed with the Issue thereafter

(viii) Promoter's contribution, if any, shall be brought in advance before the Bid / Issue Opening Date

(ix) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

(x) no further issue of Equity Shares shall be made until the Equity Shares Issued through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

Utilisation of Issue Proceeds

Our Company, specifically confirm and declare:

1. That all monies received from the Issue shall be credited / transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;
2. Details of all monies utilised out of the proceeds from the Issue shall be disclosed, and continue to be disclosed till all the time any part of the proceeds from the Issue remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised, or the form in which such unutilised monies have been invested; and
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA.

While the Industrial Policy, 1991 has prescribed the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government of India has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases.

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, GoI, earlier known as Department of Industrial Policy and Promotion ("**DPIIT**") has issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Foreign investment of upto 100% is currently permitted under the automatic route for our Company.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route as per the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits provided under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India, has also made a similar amendment to the FEMA Rules. Each Applicant should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Applicant shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Applicants. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Apply for the Issue do not exceed the applicable limits under applicable laws or regulations.

For further details, see "***Issue Procedure***" beginning on page 321.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the Description of Equity Shares and Terms of the Articles of Association are detailed below. Capitalized terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Extraordinary General Meeting held on, [●] *in substitution for and to the entire exclusion of, the regulations contained in the existing Articles of Association of the Company.*

MAIN ARTICLES OF ARTICLES OF ASSOCIATION
Share Capital and Variation Rights

Article 4 states that the Authorized Share Capital of the Company shall be as prescribed in Clause V of the Memorandum of Association of the Company.

Article 5 states that the subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.

Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.

Article 6 states that the Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.

Article 7 states that the Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:

1. A. Such further shares shall be offered to the persons who, at the date of the offer, are the holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.

B. The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

C. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause B shall contain a statement of this right.

D. After the expiry of the time specified in the notice aforesaid, or in respect of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.

2. The Directors may, with the sanction of the Company in the General Meeting by means of a special resolution, offer and allot shares to any person at their discretion by following the provisions of section 62 of the Act and other applicable provisions, if any.
3. Nothing in this Article shall apply to the increase in the subscribed capital of the Company which has been approved by:
    a. A Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, and
    b. The Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.

Article 8 states that -

a. The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Section 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class.
b. To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.

Issue of Further Shares with Disproportionate Rights

Article 9 states that subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking pari passu therewith.

Not to Issue Shares with Disproportionate Rights

Article 10 states that the Company shall not issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being Preference Shares.

Power to Pay Commission

Article 11 states that the Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.

Liability of Joint Holder of the Shares

Article 12 states that the joint holders of a share or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.

Trust not recognised

Article 13 states that save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

Issue other than for Cash

Article 14 states that –

a. The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid- up shares.
b. As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.

Acceptance for Shares

Article 15 states that an application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.

SHARE CERTIFICATES
Member's Right to Share Certificates

Article 16 states that –
1. Every person whose name is entered as a member in the Register shall be entitled to receive without payment:
   a. One certificate for all his shares; or
   b. Share certificate shall be issued in marketable lots, where the share certificates are issued either for more or less than the marketable lots, sub- division/consolidation into marketable lots shall be done free of charge.
2. The Company shall, within two months after the allotment and within fifteen days after application for registration of the transfer of any share or debenture, complete and have it ready for delivery; the share certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.
3. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
4. The certificate of title to shares and duplicates thereof, when necessary, shall be issued under the seal of the Company and signed by two Directors and the Secretary or authorised official(s) of the Company.

One Certificate for Joint Holders

Article 17 states that in respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.

Renewal of Certificate

Article 18 states that if a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate without any fee, provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses, as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.

Article 19 states that for every certificate issued under the last preceding Article, no fee shall be charged by the

Company.

Splitting and Consolidation of Share Certificate

Article 20 states that the shares of the Company will be split up/consolidated in the following circumstances:
i. At the request of the member/s for split up of shares in marketable lot.
ii. At the request of the member/s for consolidation of fraction shares into marketable lot. Directors may issue new Certificate(s)

Article 21 states that where any share under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.

Person by whom installments are payable

Article 22 states that if, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment, shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.

FURTHER ISSUE OF SHARES

Article 23 states that the Board or the Company, as the case may be, may, in accordance with the Act issue further Shares to:
(i) (a) Persons who, at the date of offer, are holders of equity shares of the Company; Unless otherwise decided by the Board, such offer shall be deemed to include a right exercisable by the person concerned or renounce the shares offered to him or any of them in favour of any other person; or
(b) Employees under any scheme of employees' stock option; or
(c) Any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
(ii) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of Preferential Offer or private placement, subject to and in accordance with the Act read with Rules made thereunder and SEBI guidelines.
(iii) Issue of Sweat shares: The Company may issue shares at a discounted price by way of sweat equity shares or in any other manner in accordance with the provisions of the Act or any other applicable law.
(iv) Share Warrants: Subject to the provisions of the Act, the Company may issue with respect to any fully paid shares, a warrant stating that the bearer of the warrants is entitled to the shares specified therein and may provide coupons or otherwise, for payment of future dividends on the shares specified in the warrants and may provide conditions for registering membership.

Subject to the provisions of the Act, the Company may from time to time issue warrants naked or otherwise or issue coupons or other instruments and any combination of equity shares, debentures, preference shares or any other instruments to such class of persons as the Board of Directors may deem fit with a right attached to the holder of such warrants or coupons or other instruments to subscribe to the equity shares or other instruments within such time and at such price as the Board of Directors may decide as per the rules applicable from time to time.

LIEN
Company's lien on shares

Article 24 states that the Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

As to enforcing lien by sale

Article 25 states that for the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death of insolvency of the register holder.

Authority to transfer

Article 26 states that -

a. To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.

b. The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

Application of proceeds of sale

Article 27 states that the net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.

CALLS ON SHARES
Calls

Article 28 states that subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.

When call deemed to have been made

Article 29 states that the call shall be deemed to have been made at the time when the resolution of the Directors 346uthorizing such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.

Length of Notice of call

Article 30 states that not less than thirty days' notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice inwriting to the members, extend the time for payment thereof.

Sum payable in fixed installments to be deemed calls

Article 31 states that that if by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by installments at fixed time, whether on account of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or installment accordingly.

When interest on call or installment payable

Article 32 states that if the sum payable in respect of any call or, installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall fall due, shall pay interest for the sameat the rate decided by the Board, from the day appointed for the payment thereof to the time ofthe actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.

Sums payable at fixed times to be treated as calls

Article 33 states that the provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same hadbecome payable by virtue of a call duly made and notified.

Payment of call in advance

Article 34 states that the Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the money so advance may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.

Partial payment not to preclude forfeiture

Article 35 states that either a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.

FORFEITURE OF SHARES
If call or installment not paid, notice may be given

Article 36 states that if a member fails to pay any call or installment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.

Evidence action by Company against shareholders

Article 37 states that in the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Form of Notice

Article 38 states that the notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.

If notice not complied with, shares may be forfeited

Article 39 states that if the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Notice after forfeiture

Article 40 states that when any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

Boards' right to dispose of forfeited shares or cancellation of forfeiture

Article 41 states that a forfeited or surrendered share may be sold or otherwise disposed of on such terms and in such a manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.

Liability after forfeiture

Article 42 states that a person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.

Effect of forfeiture

Article 43 states that the forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

Evidence of forfeiture

-Article 44 states that a duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Non-payment of sums payable at fixed times

Article 45 states that the provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

Validity of such sales

Article 46 states that upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

TRANSFER AND TRANSMISSION OF SHARES

Transfer

Article 47 states that –

a. The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.

b. The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

b. Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.

c. An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

d. For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.

e. Nothing in Sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

Form of transfer

Article 48 states that shares in the Company shall be transferred by an instrument in writing in such common form as specified in Section 56 of the Companies Act.

Board's right to refuse to register

Article 49 states that the Board may decline to recognise any instrument of transfer unless

a) The duly executed instrument of transfer is in the form as prescribed in rules made under subsection(1) of section 56;
b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
c) The instrument of transfer is in respect of only one class of shares.

Further right of Board of Directors to refuse to register

Article 50 states that notwithstanding anything contained in Sub-articles (b) and (c) of Article 46, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a member to convert his holding of odd lots, subject however, to verification by the Company.

Fee on transfer or transmission

Article 51 states that no fee shall be charged by the Company for registration of transfers or for effecting transmission on shares on the death of any member or for registering any letters of probate, letters of administration and similar other documents.

Rights to shares on death of a member for transmission

Article 52 states that -

a) In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares.
b) In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.

Provided that the production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.

Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta thereof as having titles to the shares registered in the name of such member.

Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.

Rights and liabilities of person

Article 53 states that -

1. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as herein, after provided elect either:
    a. to be registered himself as a holder of the share or
    b. to make such transfer of the share as the deceased or insolvent member could have made.
2. The Board, shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

Notice by such a person of his election

Article 54 states that -

a) If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
c) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer had been signed by that member.

No transfer to infant, etc.

Article 55 states that no transfer shall be made to an infant or a person of unsound mind.

Endorsement of transfer and issue of certificate

Article 56 states that every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorised by the Board in that behalf.

Custody of transfer

Article 57 states that the instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.

Register of members

Article 58 (a) states that the Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.

Closure of Register of members

Article 58 (b) states that on giving not less than seven working days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year

When instruments of transfer to be retained

Article 58 (c) states that all instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.

Company's right to register transfer by apparent legal owner

Article 59 states that the Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares not withstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.

ALTERATION OF CAPITAL
Alteration and consolidation, sub-division and cancellation of shares

Article 60 states that the company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
Subject to the provisions of section 61, the Company may, by ordinary resolution,—

1. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
2. Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination;
3. Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division on the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.
4. Cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
5. The resolution whereby any share is sub-divided may determine that, as between the holder of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.
6. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time be permitted under legislative provisions for the time being in force in that behalf.

Reduction of capital, etc. by Company

Article 61 states that the Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law:

a. its share capital;
b. any capital redemption reserve account; or
c. any share premium account.

SURRENDER OF SHARES
Surrender of shares

Article 62 states that the Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.

MODIFICATION OF RIGHTS
Power of modify shares

Article 63 states that the rights and privileges attached to each class of shares may be modified, commuted, affected, and abrogated in the manner provided in Section 48 of the Act.

SET OFF OF MONEY DUE TO SHAREHOLDERS
Set-off of moneys due to shareholders

Article 64 states that any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls.

CONVERSION OF SHARES INTO STOCK
Conversion of shares

Article 65 states that the Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.

Transfer of stock

Article 66 states that the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

Right of stockholders

Article 67 states that the holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Applicability of regulations to stock and stockholders

Article 68 states that such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.

DEMATERIALIZTION OF SECURITIES

Article 69 lays down the following:

a) Definitions

For the purpose of this Article:

(i) 'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

(ii) 'SEBI' means the Securities and Exchange Board of India;

(iii) 'Depository' means a company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and

(iv) 'Security' means such security as may be specified by SEBI from time to time.

b) Dematerialisation of securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

c) Options for investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

d) Securities in depositories to be in fungible form

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

e) **Rights of depositories and beneficial owners:**

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.

(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

f) Service of documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

g) Transfer of securities

Nothing contained in Section 56 of the Act, or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

h) Allotment of securities dealt with in a depository

Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

i) Distinctive numbers of securities held in a depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.

j) Register and Index of Beneficial owners

The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.

k) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.

GENERAL MEETINGS

Annual General Meeting

Article 70 states that subject to the provisions of the Act, the Company shall hold from time to time as provided by the Act in addition to any other meetings, a general meeting as its Annual General Meeting. The Provisions of Section 96 of the Act shall apply to such Annual General Meeting.

Annual General Meeting when to be held

Article 71 states that every Annual General Meeting shall be called for a time during business hours and on such day (not being a national holiday) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at any place within the city, town or village in which the office of the Company for the time being is situated.

Right to summon Extraordinary General Meeting

Article 72 states that the Chairman or Managing Director or any other Director, may, whenever they think fit, and shall if so, directed by the Board, convene an Extraordinary General Meeting and the provisions of Section 100 of the Act, shall apply in respect of such meeting.

Extraordinary Meeting by requisition

Article 73 states the following –

a. The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition.

b. The requisition shall set our matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the Company by Registered Post addressed to the Company at its Registered Office.

c. The requisition may consist of several documents in like forms, each signed by one or more requisitionists.

d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold, on the date of the deposit of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of the voting in regard to the matter set out in the requisition.

e. If the Board does not, within 21 days from the date of receipt of deposit of the requisition with regard to any matter, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists, as represent either majority in the value of the paid-up share capital held by them or of not less than one tenth of such paid-up capital of the Company as is referred to in Sub- clause (d) above, whichever is less.

Length of notice for calling meeting

Article 74 states that the General Meeting of the Company may be called by giving not less than twenty one days' notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid- up share capital which gives the right to vote on the matters to be considered at the meeting.

Provided that where any member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members, shall be taken into account for purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.

Accidental omission to give notice not to invalidate meeting

Article 75 states that the accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.

Special business and statement to be annexed

Article 76 states that all business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors.

Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein, of every Director and the Manager, if any, every other Key Managerial Personnel and the relatives of Directors, Manager and other Key Managerial Personnel. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

Quorum

Article 77 states the following –

(i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103 of Companies Act 2013, as amended from time to time.

If quorum not present, when meeting to be dissolved and when to be adjourned

Article 78 states that if within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

Chairman of General Meeting

Article 79 states that the Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company.

When Chairman is absent

Article 80 states that if there is no such Chairman, or Vice Chairman or if at any General Meeting, either the Chairman or Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting or if they are unwilling to take the chair, the members present shall choose one of their members to be the Chairman.

Adjournment of meeting

Article 81 states that the Chairman may, with the consent of any meeting at which a quorum is present and shall, if so, directed by the meeting, adjourn that meeting from time to time from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.

Resolutions at General Meeting how decided

Article 82 states that at a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands or by result of voting through ballot papers or through electronic voting as per the provisions of Section 108, unless a poll is (before or on the declaration of the result of the show of hands/ electronic voting) demanded in accordance with the provisions of Section 109. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands/ ballot paper / electronic voting, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number of proportion of the votes recorded in favour of or against that resolution.

Casting vote

Article 83 states that in the case of an equality of votes, the Chairman shall, whether on a show of hands, or electronically or on a poll, as the case may be, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

Taking of poll

Article 84 states that if a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

In what cases poll taken without adjournment

Article 85 states that a poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.

Business may proceed notwithstanding demand for poll

Article 86 states that a demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; the demand for a poll may be withdrawn at any time by the person or persons who made the demand.

VOTING RIGHTS
Right to vote

Article 87 states the following –

a. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid- up Equity Capital of the Company.

b. Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.

c. Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.

d. Voting by Electronic Means: A member may exercise his/her vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

Joint holders

Article 88 states that in the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Member of unsound mind

Article 89 states that a member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy.

No member entitled to vote while call due to Company

Article 90 states that no member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

Proxies permitted on polls

Article 91 states that on a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.

Instrument of proxy

Article 92 states the following -

a. The instrument appointing a proxy shall be in writing under the hand of the appointed or of the attorney duly authorised in writing, or if the appointer is a Corporation, either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as a proxy whether he is a member or not.

b. A body corporate (whether a company within the meaning of this Act or not) may:

    1. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company;
    2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.

c. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder.

Instrument of proxy to be deposited at the office

Article 93 states that the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.

Validity of vote by proxy

Article 94 states that a vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

Form of proxy

Article 95 states that any instrument appointing a proxy may be a two way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11.

DIRECTORS
Minimum Qualification of Directors

Article 96 states that unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.

Article 97 states that subject to the provisions of the Act as may be applicable, the Board may appoint any person as a Managing Director to perform such functions as the Board may decide from time to time. Such Director shall be a Member of the Board.

Qualification of Directors

Article 98 states that any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.

Director's Remuneration

Article 99 states the following -

a. Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/Whole-time Director of the Company who is a full-time employee, drawing remuneration will not be paid any fee for attending Board Meetings.

b. Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.

c. Subject to the provisions of the Act, the Company in General Meeting may by Special Resolution sanction and pay to the Director in addition to the said fees set out in sub- clause (a) above, a remuneration not exceeding one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors.

d. Subject to the provisions of Section 188 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.

Directors may act notwithstanding vacancy

Article 100 states that the continuing Directors may act not withstanding any vacancy in their body, but subject to the provisions contained in Article 119 below:

Chairman or Vice-chairman of the Board

Article 101 states the following -

a. Notwithstanding anything contained in these Articles and pursuant to provisions of the Act, Managing Director of the Company will act as Chairman of the board and Deputy Managing Director will act as Vice chairman of the board.

b. Subject to the provisions of the Act, the Chairman and the Vice Chairman may be paid such remuneration for their services as Chairman and Vice Chairman respectively, and such reasonable expenses including expenses connected with travel, secretarial service and entertainment, as may be decided by the Board of Directors from time to time.

Authorise signing of receipts cheques etc.

Article 102 states that all cheques, promissory notes, drafts, hundis, bills of exchange, receipts, acceptances, endorsements, dividend warrants, releases, contracts and documents and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

Casual vacancy

Article 103 states that if the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only up to the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.

Alternate Directors

Article 104 states the following -

a. The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause "the Original Director" during his absence for a period of not less than 3 months from India.

b. An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.

Independent Directors

Article 104(c) states the following -

(i) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time.

(ii) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(iii) Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall not be liable to retire by rotation.

Women Director

Article 104(d) states that the Directors shall appoint one women director as per the requirements of section 149 of the Act.

Key Managerial Personnel

Article 104(e) states that subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of are solution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

(iii) The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles.

Additional Directors

Article 105 states that the Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed for the Board by the Articles. Any person so appointed as an Additional Director shall hold office up to the date of the next Annual General Meeting of the Company.

Proportion of retirement by rotation

Article 105(a) states that the proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act.

Debenture Director

Article 106 states that any trust deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and re- appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.

Corporation/Nominee Director

Article 107 states that any deed for securing loans by the Company from financial corporation's may be so arranged to provide for the appointment from time to time by the lending financial corporation of some person or persons to be a director or directors of the Company and may empower such lending financial corporation from time to time to remove and re- appoint any Director so appointed. A Director appointed under this Article is herein referred as "Nominee Director" and the term "Nominee Director" means any director for time being in office under this Article. The deed aforesaid may contain ancillary provisions as may be arranged between the Company and the lending corporation and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

Disclosure of interest of Directors

Article 108 states the following -

a) Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.

Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company.

b) A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.

Vacation of office by Directors

Article 109 states that the office of a Director shall be vacated if –

1. He is found to be unsound mind by a Court of competent jurisdiction;
2. He applies to be adjudicated as an insolvent;
3. He is an undercharged insolvent;
4. He is convicted by a Court of any offence whether involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
5. He fails to pay any call-in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;
6. An order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.
7. He has not complied with Subsection (3) of Section 152
8. He has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.
9. He absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;
10. He acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.
11. He becomes disqualified by an order of a court or the Tribunal
12. He is removed in pursuance of the provisions of the Act,
13. Having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:
    a) for thirty days from the date of the adjudication, sentence or order;
    b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or
    c) Where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

Rights of Directors

Article 110 states that except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

Directors to comply with Section 184

Article 111 states that notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.

Directors power of contract with Company

Article 112 states that subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director shall be disqualified by having contracted with the Company as aforesaid.

ROTATION OF DIRECTORS
Rotation and retirement of Directors

Article 113 states that at every annual meeting, one-third of the Directors shall retire by rotation in accordance with the provisions of Section 152 of the Act.

Retiring Directors eligible for re-election

Article 114 states that a retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.

Which Directors to retire

Article 115 states that the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

Retiring Directors to remain in office till successors are appointed

Article 116 states that subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday at the same time, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.

Power of General Meeting to increase or reduce number of Directors

Article 117 states that the subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 93 and may also determine in what rotation the increased or reduced number is to retire.

Power to remove Directors by ordinary resolution

Article 118 states that subject to the provisions of Section 169 the Company, by Ordinary Resolution, may at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his place. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforementioned. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.

Rights of persons other than retiring Directors to stand for Directorships

Article 119 states that subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be "along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than 25% of total valid votes cast either on show of hands or electronically or on poll on such resolution".

Register of Directors and KMP and their shareholding

Article 120 states that the Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.

Business to be carried on

Article 121 states that the business of the Company shall be carried on by the Board of Directors.

PROCEEDINGS OF THE BOARD

Meeting of the Directors

Article 122 states that the Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.

Director may summon meeting

Article 123 states that a Director may at any time request the Secretary to convene a meeting of the Directors and seven days' notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.

Question how decided

Article 124 states the following -

a) Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

b) In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.

Right of continuing Directors when there is no quorum

Article 125 states that the continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number if reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.

Quorum

Article 126 states that the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two- thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

Election of Chairman to the Board

Article 127 states that if no person has been appointed as Chairman or Vice Chairman under Article 98(a) or if at any meeting, the Chairman or Vice Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.

Power to appoint Committees and to delegate

Article 128(a) states that the Board may, from time to time, and at any time and in compliance with provisions of the act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 constitute one or more Committees of the Board consisting of such member or members of its body, as the Board may think fit.

Delegation of powers

Article 128(b) states that subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Article 128(c) states that the Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Proceedings of Committee

Article 129 states that the meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto, and not superseded by any regulations made by the Directors under the last proceeding Article.

Election of Chairman of the Committee

Article 130 states that the following -

a) The Chairman or the Vice Chairman shall be the Chairman of its meetings, if either is not available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting.
b) The quorum of a Committee may be fixed by the Board and until so fixed, if the Committee is of a single member or two members, the quorum shall be one and if more than two members, it shall be two.

Question how determined

Article 131 states the following -

a) A Committee may meet and adjourn as it thinks proper.
b) Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.

Acts done by the Board or Committee valid, notwithstanding defective appointment, etc.

Article 132 states that all acts done by any meeting of the Board or a Committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or any person acting as aforesaid, or that any of them was disqualified, be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director.

Resolution by circulation

Article 133 states that save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

POWERS AND DUTIES OF DIRECTORS

General powers of Company vested in Directors

Article 134 states that the business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

Attorney of the Company

Article 135 states that the Board may appoint at any time and from time to time by a power of attorney under the Company's seal, any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment, may, if the Board thinks fit, be made in favour of the members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of anybody or persons whether nominated directly or indirectly by the Board and any such `power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.

Power to authorise sub delegation

Article 136 states that the Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him.

Directors' duty to comply with the provisions of the Act

Article 137 states that the Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein.

Special power of Directors

Article 138 states that in furtherance of and without prejudice to the general powers conferred by or implied in Article 130 and other powers conferred by these Articles, and subject to the provisions of Sections 179 and 180 of the Act, that may become applicable, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to the following things.

To acquire and dispose of property and rights

Article 139(a) states that to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise dispose of the property, privileges and undertakings of the

Company upon such terms and conditions and for such consideration as they may think fit.

To pay for property in debentures, etc.

Article 139(b) states that at their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid- up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

To secure contracts by mortgages

Article 139(c) states that to secure the fulfillment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.

To appoint officers, etc.

Article 139(d) states that to appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit.

Article 139(e) states that to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments or satisfaction of any dues and of any claims or demands by or against the Company.

To refer to arbitration

Article 139(f) states that to refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.

To give receipt

Article 139(g) states that to make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.

To act in matters of bankrupts and insolvents

Article 139(h) states that to act on behalf of the Company in all matters relating to bankrupts and insolvents.

To give security by way of indemnity

Article 139(i) states that to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

To give commission

Article 139(j) states that to give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company.

To make contracts etc.

Article 139(k) states that to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

To make bye-laws

Article 139(l) states that from time to time, make, vary and repeal bye-laws for the regulations of the business for the Company, its officers and servants.

To set aside profits for provided fund

Article 139(m) states that before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit.

To make and alter rules

Article 139(n) states that to make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.

Article 139(o) states that and generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited

Powers to be exercised by Board only at meeting

Article 140(a) states that -

Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.

1. To make calls on shareholders in respect of money unpaid on their shares;
2. To authorise buy-back of securities under section 68;
3. To issue securities, including debentures, whether in or outside India;
4. To borrow monies;
5. To invest the funds of the company;
6. To grant loans or give guarantee or provide security in respect of loans;
7. To approve financial statement and the Board's report;
8. To diversify the business of the company;
9. To approve amalgamation, merger or reconstruction;
10. To take over a company or acquire a controlling or substantial stake in another company;
11. To make political contributions;
12. To appoint or remove key managerial personnel (KMP);
13. To take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
14. To appoint internal auditors and secretarial auditor;
15. To take note of the disclosure of director's interest and shareholding;
16. To buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;
17. To invite or accept or renew public deposits and related matters;
18. To review or change the terms and conditions of public deposit;
19. To approve quarterly, half yearly and annual financial statements or financial results as the case may be.
20. Such other business as may be prescribed by the Act.

Article 140(b) states that the Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses, d, e and f above.

Article 140(c) states that every resolution delegating the power set out in Sub-clause d shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the said delegate.

Article 140(d) states that every resolution delegating the power referred to in Sub-clause e shall specify the total amount up to which the funds may be invested and the nature of investments which may be made by the delegate.

Article 140(e) states that every resolution delegating the power referred to in Sub-clause f above shall specify the total amount up to which loans may be made by the delegate, the purposes for which the loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.

Register of mortgage to be kept

Article 141 states that the Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act, 2013 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.

0Register of holders of debentures

Article 142 states that every register of holders of debentures of the Company may be closed for any period not exceeding on the whole forty five days in any year, and not exceeding thirty days at any one time. Subject as the aforesaid, every such register shall be open to the inspection of registered holders of any such debenture and of any member but the Company may in General Meeting impose any reasonable restriction so that at least two hours in every day, when such register is open, are appointed for inspection.

Inspection of copies of and Register of Mortgages

Article 143 states that the Company shall comply with the provisions of the Companies Act, 2013, as to allow inspection of copies kept at the Registered Office in pursuance of the said Act, and as to allowing inspection of the Register of charges to be kept at the office in pursuance of the said Act.

Supplying copies of register of holder of debentures

Article 144 states that the Company shall comply with the provisions of the Companies Act, 2013, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures.

Right of holders of debentures as to Financial Statements

Article 145 states that holders of debentures and any person from whom the Company has accepted any sum of money by way of deposit, shall on demand, be entitled to be furnished, free of cost, or for such sum as may be prescribed by the Government from time to time, with a copy of the Financial Statements of the Company and other reports attached or appended thereto.

Minutes

Article 146 states the following -

a. The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.
b. The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

Power to appoint or re-appoint key managerial personnel
Managing Director

Article 147 states the following -

a. Subject to the provisions of Section 196, 197, 2(94), 203 of the Act, the following provisions shall apply:

b. The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.

c. The remuneration payable to the Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.

d. If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.

e. The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.

f. Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/Managing Directors shall exercise all powers set out in Article 137 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.

Whole-time Director

Article 148 states the following -

a. Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of its body, as Whole- time Director or Whole time Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General Meeting, subject to the approval of the Central Government, if any, required in that behalf.

b. A Whole-time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be Whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.

Secretary

Article 149 states that the Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board.

Managing Director's power to be exercised severally

Article 150 states that all the powers conferred on the Managing Director by these presents, or otherwise may, subject to any directions to the contrary by the Board of Directors, be exercised by any of them severally

Powers as to commencement of business

Article 151 states that subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

Delegation of power

Article 152 states that subject to Section 179 the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Executive Director.

BORROWING
Borrowing Powers

Article 153 states the following -

The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Shareholders at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves, (that is to say, reserves not set-apart for any specific purpose) or the limits already approved by the Shareholders at a General Meeting, whichever is higher, but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount up to which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and security of the Company or by such other means as them may seem expedient.

Assignment of debentures

Article 154 states that such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.

Terms of debenture issue

Article 155 states the following -

a. Any such debenture, debenture stock, bond or other security may be issued at a discount, premium or otherwise, and with any special privilege as the redemption, surrender, drawing, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
b. Any trust deed for securing of any debenture or debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner may provide for the appointment from time to time, by any such mortgagee, lender, trustee of or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed,

mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may, from time to time, remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.

c. The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under the provisions of a debenture trust deed shall be called "Debenture Director". The words "Mortgage" or "Debenture Director" shall mean the Mortgage Director for the time being in office. The Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as may be arranged between the Company and mortgage lender, the trustee or contracting party, as the case may be, and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.

d. The Directors appointed as Mortgage Director or Debenture Director or Corporate Director under the Article shall be deemed to be ex-officio Directors.

e. The total number of ex-officio Directors, if any, so appointed under this Article together with the other ex-officio Directors, if any, appointment under any other provisions of these presents shall not at any time exceed one-third of the whole number of Directors for the time being.

Charge on uncalled capital

Article 156 states that any uncalled capital of the Company may be included in or charged by mortgage or other security.

Subsequent assignees of uncalled capital

Article 157 states that where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.

Charge in favour of Director by way of indemnity

Article 158 states that if the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.

MANAGER

Manager

Article 159 states that subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board.

COMMON SEAL

Common Seal

Article 160 states that the Board shall provide a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the Registered Office of the Company and committed to the custody of the Directors.

Affixture of Common Seal

Article 161 states that the seal shall not be affixed to any instrument except by the authority of a resolution of the Board or Committee and unless the Board otherwise determines, every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by two Directors or a Director and the Company Secretary or any other person authorised by the Board and provided nevertheless that any instrument bearing the seal of the Company issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same provided also the counter signature of the Chairman or the Vice Chairman, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.

DIVIDENDS AND RESERVES
Rights to Dividend

Article 162 states that the profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.

Declaration of Dividends

Article 163 states that the Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

What to be deemed net profits

Article 164 states that the declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim Dividend

Article 165 states that the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

Dividends to be paid out of profits only

Article 166 states that no dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.

Establish Reserve Funds

Article 167 states the following -

a. The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
b. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.

Method of payment of dividend

Article 168 states the following -

a. Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.
b. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.
c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any

share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.

Deduction of arrears

Article 169 states that the Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares of the Company or otherwise.

Adjustment of dividend against call

Article 170 states that the any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves, be set off against the call.

Payment by cheque or warrant

Article 171 states the following -

a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directly to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.
b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
c. Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.

Retention in certain cases

Article 172 states that the Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.

Receipt of joint holders

Article 173 states that where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:

a. Transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and
b. Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub-section (1) of Section 62 of the Act, and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act".

Deduction of arrears

Article 174 states that any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.

Notice of Dividends

Article 175 states that notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

Dividend not to bear interest

Article 176 states that no dividend shall bear the interest against the Company.

Unclaimed Dividend

Article 177 states that no unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.

Transfer of share not to pass prior Dividend

Article 178 states that any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

CAPITALISATION OF PROFITS
Capitalisation of Profits

Article 179(a) states that the Company in General Meeting, may on the recommendation of the Board, resolve:

1. That the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised; and
2. That such sum be accordingly set free for distribution in the manner specified in Sub- clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

Article 179(b) states that the sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Sub clause (3) either in or towards:

1. Paying up any amount for the time being unpaid on any share held by such members respectively;
2. Paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid; or
3. Partly in the way specified in Sub-clause (i) and partly in that specified in Sub- clause (ii).
4. A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
5. The Board shall give effect to resolutions passed by the Company in pursuance of this Article.

Buy back of shares:

i. Notwithstanding anything contained in these articles but subject to the other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.
ii. The Company may from time to time allocate funds from its Free Reserves or Share Premium account or any other means of finance or issue debt instruments for raising funds for buy-back of its shares and the same is not to be considered as reduction of Capital under Section 66 of the Act. The Company may also exchange voting shares for non-voting shares or for any other securities.

Powers of Directors for declaration of Bonus

Article 180(a) states that whenever such a resolution as aforesaid shall have been passed, the Board shall:

1. Make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any; and
2. Generally do all acts and things required to give effect thereto.

Article 180(b) states that the Board shall have full power:

1. to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and also;
2. to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by

the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.

Article 180(c) states that any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

Books of account to be kept

Article 181 states that the following **-**

a. The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expanded by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.

b. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions.

c. The books of accounts shall be open to inspection by any Director during business hours.

Where books of account to be kept

Article 182 states that the books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.

Inspection by members

Article 183 states that the Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection any account or book or document of the Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting.

Statement of account to be furnished to General Meeting

Article 184 states that the Board shall lay before such Annual General Meeting , financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months, or such extension of time as shall have been granted by the Registrar under the provisions of the Act.

Financial Statements

Article 185 states that subject to the provisions of Section 129, 133 of the Act, every financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.

Authentication of Financial Statements

Article 186 states that the following **-**

a. Subject to Section 134 of the Act, every financial statements of the Company shall be signed on behalf of the Board by not less than two Directors.

b. The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

Auditors Report to be annexed

Article 187 states that the Auditor’s Report shall be attached to the financial statements.

Board’s Report to be attached to Financial Statements

Article 188 states that the following **-**

a. Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend.

b. The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.

c. The Board shall also give the fullest information and explanation in its report or in case falling under the provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.

d. The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Article 181.

e. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Sub-clauses (a) to (e) of this Article are complied with.

Right of member to copies of Financial Statements

Article 189 states that the Company shall comply with the requirements of Section 136.

ANNUAL RETURNS

Annual Returns

Article 190 states that the Company shall make the requisite annual return in accordance with Section 92 of the Act.

AUDIT

Accounts to be audited

Article 191 states that the following -

a. Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.

b. Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the fifth Annual

b. General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.

c. At every Annual General Meeting, the reappointment of such auditor shall be ratified by the shareholders.

d. Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.

e. The Company shall, within seven days of the Central Government's power under Sub- clause (d) becoming exercisable, give notice of that fact to that Government.

f. The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

g. Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and if the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.

h. The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

i. A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section140 of the Act shall apply in the matter. The provisions of this Sub- clause shall also apply to a resolution that retiring Auditor shall be reappointed.

j. The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.

k. Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend general meetings of the company.

Audit of Branch Offices

Article 192 states that the Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.

Remuneration of Auditors

Article 193 states that the remuneration of the Auditors shall be fixed by the Company in a General Meeting except that the remuneration of any Auditor appointed to fill and casual vacancy may be fixed by the Board.

Accounts whether audited and approved to be conclusive

Article 194 states that every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected, and henceforth be conclusive.

DOCUMENTS AND SERVICE OF DOCUMENTS
Service of documents on the Company

Article 195 states that a document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the act.

How documents to be served to members

Article 196 states that the following –

a. A document (which expression for this purpose shall be deemed to included and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.

b. All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.

c. Where a document is sent by post:
   - service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected;
     a. in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and

b. in any other case, at the time at which the letter should be delivered in the ordinary course of post.

Members to notify address in India

Article 197 states that each registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

Service on members having no registered address in India

Article 198 states that if a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighborhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

Service on persons acquiring shares on death or insolvency of members

Article 199 states that a document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

Notice valid though member deceased

Article 200 states that any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.

Persons entitled to Notice of General Meeting

Article 201 states that subject to the provisions of Section 101 the Act and these Articles, notice of General Meeting shall be given to;
(a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
(b) the auditor or auditors of the company; and
(c) every director of the company.
Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

Advertisement

Article 202 states the following -
a. Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated.
b. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.

Transference, etc. bound by prior notices

Article 203 states that every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.

How notice to be signed

Article 204 states that any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS
Authentication of document and proceeding

Article 205 states that save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.

WINDING UP
Winding up

Article 206 states that subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities pari-passu and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.

Division of assets of the Company in specie among members

Article 207 states that if the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, and part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

INDEMNITY AND RESPONSIBILITY
Directors' and others' right to indemnity

Article 208 states the following -

a. Subject to the provisions of Section 197 of the Act every Director, Manager, Company Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which Service of documents on the Company any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.
b. Subject as aforesaid, every Director, Manager, Company Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurrable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.

Article 209 states that subject to the provisions of Section 197 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any money invested, or for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part of for any loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.

SECRECY CLAUSE

Article 210 states the following -

a. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.

b. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.

REGISTERS, INSPECTION AND COPIES THEREOF

Article 211 states the following -

a. Any Director or Member or person can inspect the statutory registers maintained by the Company, which may be available for inspection of such Director or Member or person under provisions of the act by the Company, provided he gives fifteen days notice to the Company about his intention to do so.

b. Any Director or Member or person can take copies of such registers of the company by paying Rs. 10 per page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.

GENERAL AUTHORITY

Article 212 stats that wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in this articles.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Corporate Office between 10.00 a.m. and 5.00 p.m. on all Working Days from the date of the Red Herring Prospectus until the Issue Closing Date.

A. Material Contracts

1. Issue Agreement dated September 27, 2023 entered into between our Company and the Book Running Lead Manager.

2. Registrar agreement dated September 27, 2023 entered into between our Company, and the Registrar to the Issue.

3. Tripartite Agreement dated September 12, 2023 between CDSL, our Company and the Registrar to the Issue

4. Tripartite Agreement dated September 14, 2023 between NSDL, our Company and the Registrar to the Issue

5. Escrow Agreement dated [●] between our Company, the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank(s), Refund Bank(s) and the Registrar to the Issue

6. Syndicate Agreement dated of [●] between our Company, the Book Running Lead Manager, the Syndicate Members and Registrar to the Issue

7. Monitoring Agency Agreement dated [●] entered into between the Company and the Monitoring Agency.

8. Underwriting Agreement dated of [●] between our Company, the Book Running Lead Manager and the Underwriters.

B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.

2. Certificate of incorporation dated September 4, 2008.

3. Fresh certificate of incorporation dated August 11, 2023, pursuant to conversion from private limited company into public limited company.

4. Resolution of the Board of Directors dated August 29, 2023 authorising the Issue and other related matters.

5. Shareholders' Resolution passed at the Extra-ordinary General Meeting of the Company held on August 30, 2023 authorising the Issue and other related matters.

6. Resolution of the Board dated September 29, 2023 approving this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

7. Copies of annual reports of our Company for the last three Fiscals, i.e., 2023, 2022 and 2021.

8. Statement of Tax Benefits dated September 25, 2023 issued by our Statutory Auditors included in this Draft Red Herring Prospectus.

9. Certificate dated September 25, 2023, 2023, from M/s. Satyendra Mrinal & Associates, Statutory Auditors verifying the Key Performance Indicators (KPIs)

10. Consents of our Directors, Chief Financial Officer, Company Secretary and Compliance Officer, BRLM, Legal Counsel to the Issue, Statutory Auditor and Peer Reviewed Auditor, Registrar to the Issue, Bankers to the Issue, Bankers to our Company, Underwriters and Syndicate Members as referred to in their specific capacities.

11. Consent of the Statutory Auditors dated September 25, 2023 to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations and referred to as an “expert” as defined under Section 2(38) of the Companies Act to the extent and in their capacity as the Statutory Auditor, and for inclusion of their examination report dated August 29, 2023 on examination of our Restated Financial Statements and the statement of possible special tax benefits dated September 25, 2023 in the form and context in which it appears in this Draft Red Herring Prospectus.

12. Consent letter dated September 28, 2023 from Dun & Bradstreet to use their report titled "Industry Report on Road & Tunnel Infrastructure in India".

13. Industry report entitled "*Industry Report on Road & Tunnel Infrastructure in India*" dated September 28, 2023 issued by Dun & Bradstreet.

14. Certificate dated September 25, 2023 from M/s. Satyendra Mrinal & Associates, Chartered Accountants, to include details regarding working capital requirements of the Company.

15. Due diligence Certificate dated September 29, 2023 addressed to SEBI issued by the BRLM.

16. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.

17. SEBI observation letter no. [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in thisDraft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board ofIndia Act, 1992, or the rules made, or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Sd/-

Sanjay Mehta
(Managing Director)

Date: September 29, 2023
Place: Jammu

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in thisDraft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board ofIndia Act, 1992, or the rules made, or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Sd/-

Ashley Mehta
(Non-executive Director)

Date: September 29, 2023
Place: Jammu

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in thisDraft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board ofIndia Act, 1992, or the rules made, or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Sd/-

Puneet Pal Singh
(Whole-time Director)

Date: September 29, 2023
Place: Jammu

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in thisDraft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board ofIndia Act, 1992, or the rules made, or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Sd/-

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Sanjay Sharma
(Independent Director)

Date: September 29, 2023
Place: Jammu

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in thisDraft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board ofIndia Act, 1992, or the rules made, or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Sd/-

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Sushil Kumar Sharma
(Independent Director)

Date: September 29, 2023
Place: Jammu

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in thisDraft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board ofIndia Act, 1992, or the rules made, or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Sd/-

Yudhvir Gupta
(Independent Director)

Date: September 29, 2023
Place: Jammu

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in thisDraft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board ofIndia Act, 1992, or the rules made, or the guidelines or regulations issued thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sd/-

Thakur Krishan Singh
(Chief Financial Officer)

Date: September 29, 2023
Place: Jammu