



<b>Retail Research</b>	<b>: IPO Note</b>
<b>Sector</b>	<b>: Construction</b>
<b>Price Band (INR)</b>	<b>: ₹91 to ₹98</b>
<b>Issue Type</b>	<b>: Bookbuilding IPO</b>

## About The Company

Company ki journey 2001 me shuru hui jab Promoter Srinibas Pradhan ne apna proprietorship firm “M/s Srinibas Pradhan” establish kiya. Shuruaat me firm small-level construction projects karti thi, jisme Urban Local Bodies aur Block Development Department ke chhote government contracts include the. Yeh ek grassroots level se start hui journey thi jahan se gradually experience aur reputation build hua.

2008 me company ke liye ek major turning point aaya jab firm ne Odisha Government ke Works Department me registration liya. Is registration ke baad company roads, buildings aur bridges jaise civil infrastructure projects lene lagi. Isi phase me company ne high-value tenders me participate karna shuru kiya aur e-procurement portal ke through bidding process adopt kiya. Yahan se business ka scale significantly grow karna start hua aur state government ke saath-saath central PSUs aur corporate entities ke projects bhi milne lage.

2011 se 2020 ke beech company expansion phase me enter hui. Is dauraan multi-storied buildings, steel structures, major district roads, high-level bridges, factories aur residential quarters jaise bade infrastructure projects execute kiye gaye. Yeh period company ke transformation ka phase tha jahan ek small contractor se structured infrastructure developer banne ki journey complete hui.

25 September 2020 ko business ko formal corporate structure dene ke liye “Srinibas Pradhan Constructions Private Limited” establish ki gayi. Iska objective business ko structured corporate format me lana, compliance improve karna aur future scalability ensure karna tha.

16 January 2024 ko “Srinibas Pradhan Infra Private Limited” naam se ek wholly owned subsidiary incorporate ki gayi. Proprietorship ka pura business assets, liabilities aur operations is corporate structure me transfer kar diya gaya. Is restructuring ka main purpose governance, transparency aur operational efficiency ko strengthen karna tha.

Company primarily infrastructure aur civil construction projects execute karti hai, jisme roads & highways, bridges aur large-scale civil structures include hote hain. Roads segment me rural roads, major district roads aur urban roads construct kiye jaate hain jisme aggregate, sand, tar aur cement jaise materials use hote hain. Bridges segment me high-level bridges aur steel bridges develop kiye jaate hain. Civil construction segment me foundations, superstructures, multi-storied buildings, factories aur industrial facilities ka execution kiya jata hai. Company ka primary operational focus Odisha state me hai.

Company ke paas PWD (Public Works Department) ka ‘B’ Class registration original entity ke naam par hai aur subsidiary ke paas ‘A’ Class registration hai. A Class contractor hone ka matlab hai ki company higher value tenders me participate kar sakti hai. Infrastructure sector me yeh classification ek strong growth enabler hota hai kyunki high-ticket projects sirf qualified contractors ko hi milte hain.

31 March 2024 tak company ke paas 70 modern machines owned hain aur 48 machines hired hain. Inme Asphalt Mixing Plant, Excavators, Dumpers, Backhoe Loaders, Breaker Machines aur Front Loaders jaise heavy equipment include hote hain. Company asset-heavy model follow karti hai jisse cost control better hota hai, execution speed fast hoti hai aur margins improve hone ki possibility rehti hai.

Issue Details	
IPO Open Date	06-Mar-26
IPO Close Date	10-Mar-26
Price Band (Rs)	₹91 to ₹98
Lot Size	1,200 Shares
Issue Size (Rs Cr)	20,73,600 shares
Face Value	₹10 per share
Sales Type	Fresh Capital & OFS
Issue Type	Bookbuilding IPO
Listing At	NSE SME
Share Holding Pre Issue	61,47,397 shares
Share Holding Post Issue	78,60,997 shares
QIB	0.93%
Retail Share	46.99%
NII Share	47.05%
Promoter Holding Pre Issue	85.27%
Promoter Holding Post Issue	

Objects of the Issue	Estimated Amount (INR Cr.)
Funding the working capital requirements of the Company.	11.55
Repayment of portion of loan availed by our Company	1

Company project sites par civil engineering laboratories establish karti hai jahan bricks, asphalt, aggregate aur concrete ki testing ki jaati hai. Iska objective structural strength ensure karna, quality compliance maintain karna aur client trust build karna hota hai. Iske alawa geotechnical testing jaise soil testing, rock testing aur bearing capacity analysis bhi kiya jata hai. Infrastructure sector me strong quality control system ek competitive edge provide karta hai.

## **Tender-Based Business Model Step-by-Step Revenue Engine**

Company ka primary revenue engine tender-based model par dependent hai. Sabse pehle government portals monitor karke aur industry networking ke through tender identification kiya jata hai. Pre-bidding stage me project ka scope, budget, timeline, legal clauses, profitability aur risk analysis kiya jata hai. Sirf feasible projects par hi bid submit kiya jata hai.

Company open tenders, selective tenders, negotiated tenders aur two-stage tenders me participate karti hai. Costing preparation stage me material cost, labour cost, equipment cost, overheads aur risk margin calculate kiya jata hai. Internal evaluation ke baad senior management approval milta hai aur technical aur commercial proposal ke saath bid submit ki jaati hai. Project award hone par execution start hota hai, aur agar project nahi milta toh feedback analysis karke strategy improve ki jaati hai.

## **Procurement Lifecycle & ERP Integration**

Company ka procurement system structured hai jisme need identification se lekar supplier evaluation tak complete lifecycle follow hota hai. RFQ/RFP issue karna, negotiation, purchase order, delivery inspection aur payment process ERP software ke through manage kiya jata hai jisse transparency aur control improve hota hai.

## **Backward Integration Strong Competitive Moat**

Company bricks, sand aur kuch construction supplies ka sourcing control karti hai, jisse raw material cost control hota hai, supply disruption ka risk kam hota hai aur margins stable rehte hain. Construction sector me raw material cost 60–70% tak hoti hai, isliye backward integration ek significant competitive advantage provide karta hai.

## **SWOT Analysis**

Company ki strengths me 2001 se established reputation, experienced workforce, strong backward integration aur diversified project portfolio include hote hain. Government recognition aur PWD registration credibility provide karta hai.

Weaknesses me tender-based revenue dependency, limited geographic presence aur recent restructuring transition challenges include hote hain. Revenue predictability limited hai kyunki project win ratio aur government capex par dependency high hai.

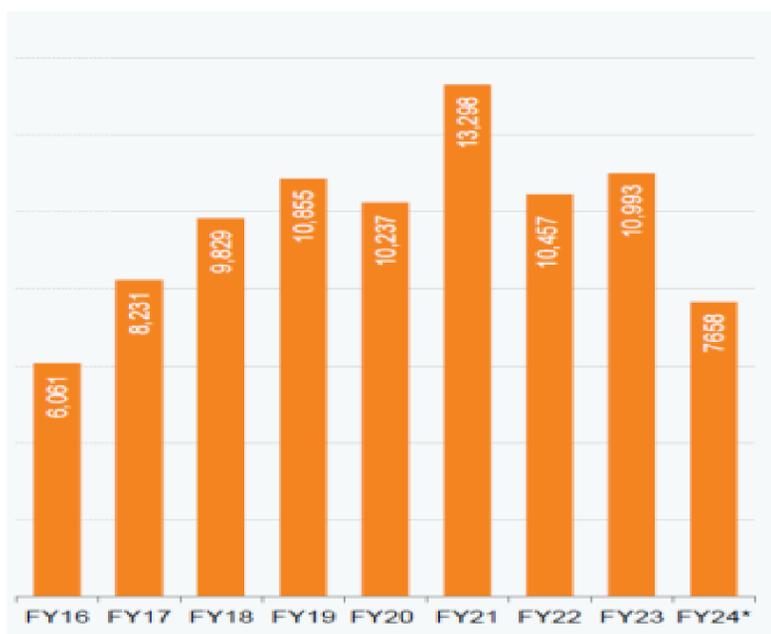
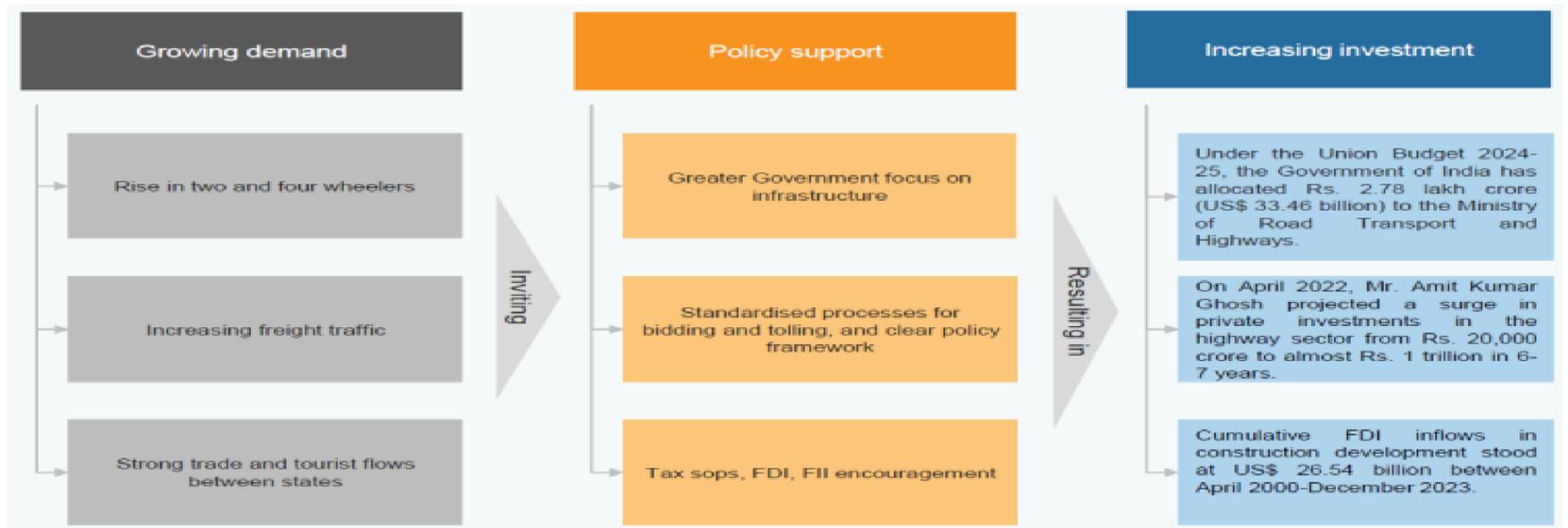
Opportunities me India ka infrastructure development boom, technological integration aur strategic partnerships ka scope include hota hai. Agar company qualification criteria upgrade karti hai toh higher value tender's mil sakte hain.

Threats me economic slowdown, regulatory changes aur raw material price volatility major factors hain jo margins aur project execution ko impact kar sakte hain.

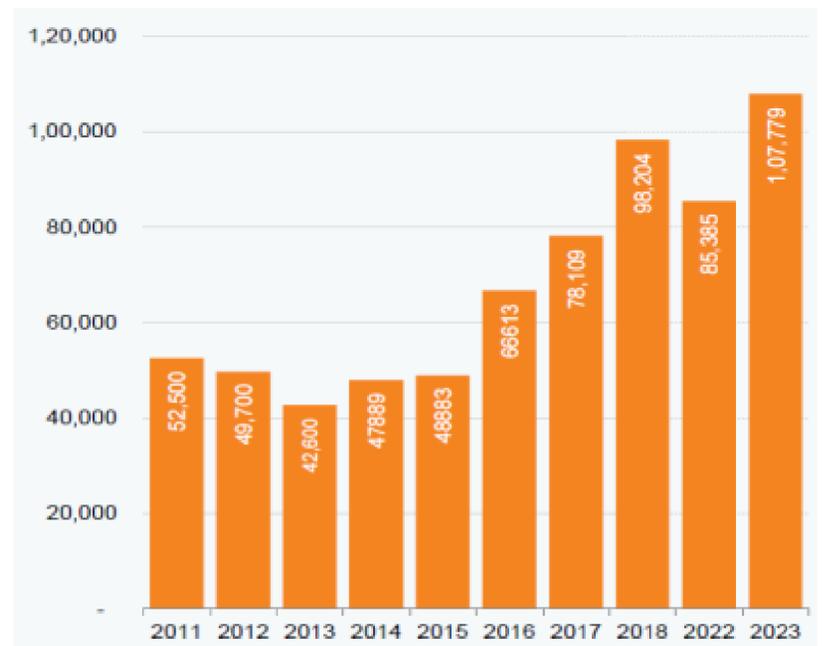
## **Future Business Strategies**

Company ka focus new customer acquisition par hai jisme government ke saath-saath corporate clients ko onboard karna include hai. Objective revenue concentration risk reduce karna hai. Iske alawa government pre-qualification improve karke higher value projects target karne ka plan hai. Backward integration expand karke cost efficiency aur margin improvement ka target rakha gaya hai. Long-term stability ke liye geographic expansion bhi strategic priority hai taaki Odisha dependency reduce ho sake.

## Strong demand and policy support driving investment



Note: \*Until January 2024  
Highway Construction in India (kms)



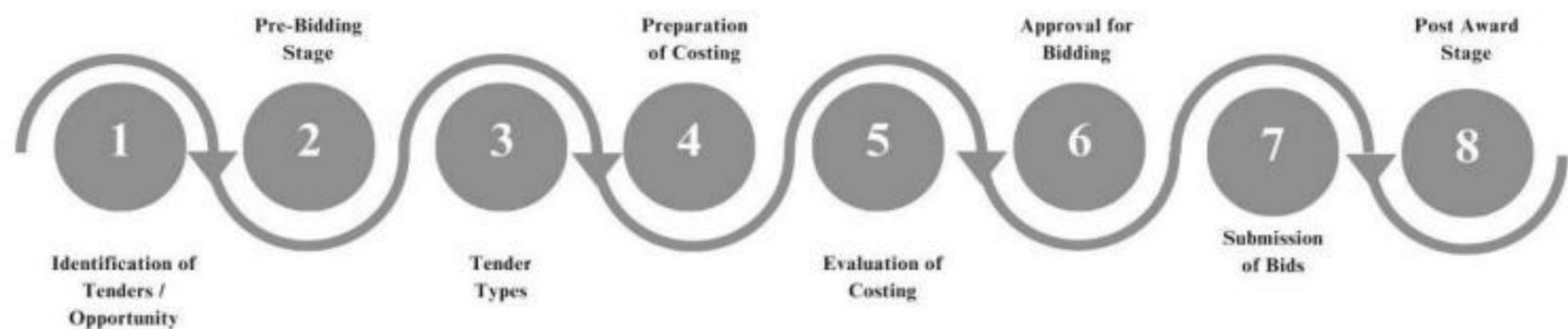
Total number of construction equipment units sold



Note: \*Until February 2023, \*\*Until October 2023  
Projects awarded (in kms)

Source: India Brand Equity Foundation report on Roads – March 2024.

## Project Life Cycle



## SWOT ANALYSIS



### STRENGTHS

- Established Reputation
- Experienced Workforce
- Strong Backward Integration
- Diverse Portfolio
- Government Recognition



### WEAKNESSES

- Transition Challenges
- Dependence on Tenders
- Limited Geographic Presence



### OPPORTUNITIES

- Infrastructure Development Boom
- Technological Integration
- Strategic Partnerships



### THREATS

- Economic Downturn
- Regulatory Changes
- Supply Chain Disruptions

## Details of Top 10 Suppliers

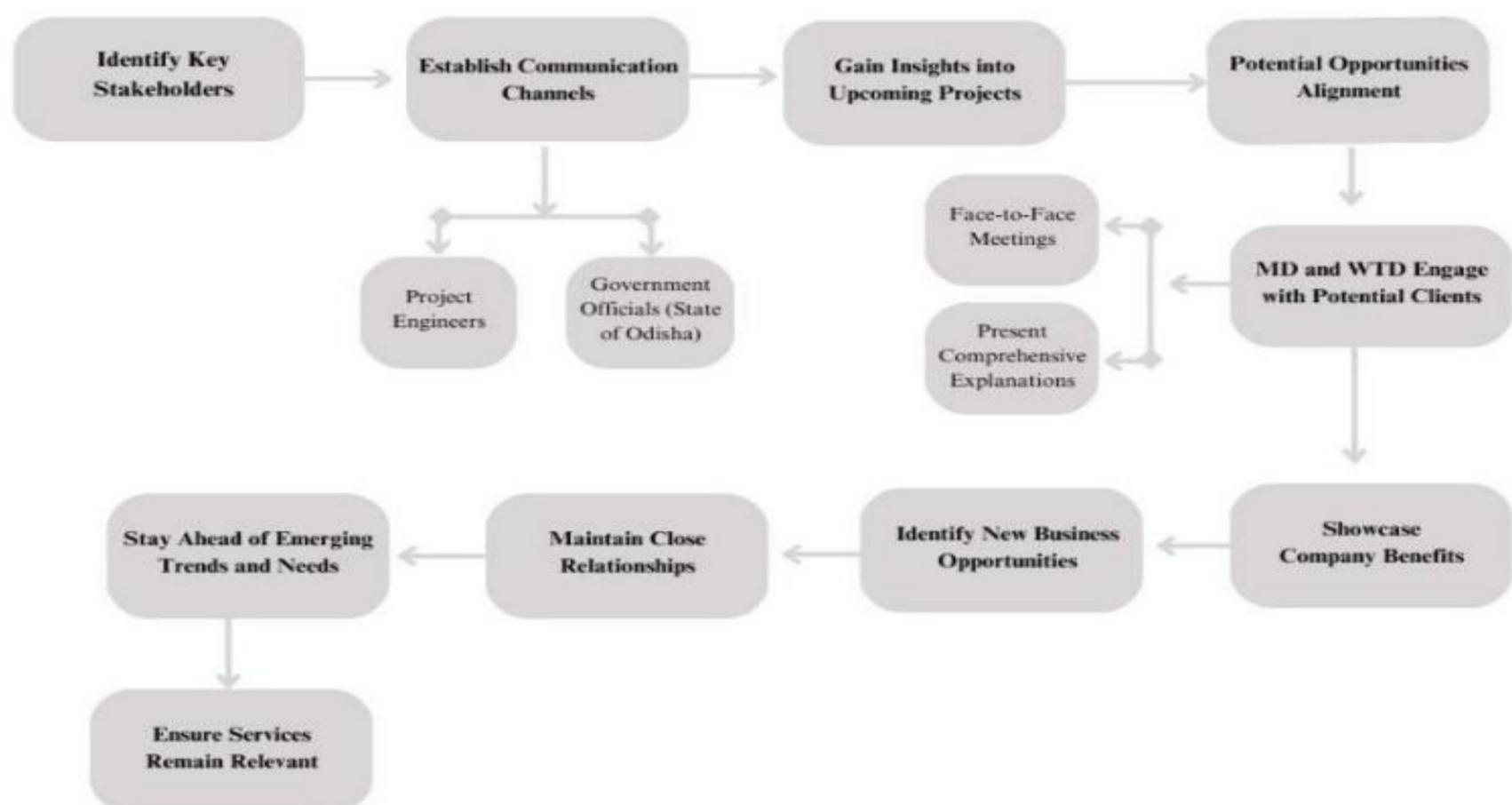
(Amt. in Lakhs)

Sr. No.	Party Name	Amount	Value in %
1	Konark Filling Station	432.55	20.54%
2	Shree Balaji Engicons Limited	156.50	7.43%
3	Pawan & Brothers	140.85	6.69%
4	Prakash Enterprises	112.83	5.36%
5	M/S Mamata Marbles	66.69	3.17%
6	Maa Mohini Green Solution	57.58	2.73%
7	Khatu Shyam Steel Industries	49.01	2.33%
8	M/S Tara Shankar Steel Traders	44.51	2.11%
9	M/S Sajjan Kumar Sitani	44.14	2.10%
10	Konark Tyres	42.82	2.03%
	<b>Total</b>	<b>1147.48</b>	<b>54.49%</b>

## Details of Top 10 Customer

(Amt. in Lakhs)

Sr. No.	Party Name	Amount	% of Turnover
1	Srinibas Pradhan (Prop.)	1112.94	31.56
2	Trl Krosaki Refractories Limited	886.48	25.13
3	A P Construction	706.77	20.04
4	Tp Western Odisha Distribution Ltd	169.41	4.80
5	Srinibas Pradhan Infra Pvt Ltd	165.42	4.69
6	Ind Barath Energy (Utkal) Ltd	112.00	3.18
7	Bikash Chandra Rao	90.66	2.57
8	M/S Sadanand Khamari	63.49	1.80
9	Earth Minerals Company Limited	58.79	1.67
10	Isgec Heavy Engineering Ltd	43.11	1.22
	<b>Total</b>	<b>3,409.06</b>	<b>96.66</b>



(Amount in lakh, except EPS, % and ratios)

Key Financial Performance	Srinibas Pradhan Constructions Limited			Udayshivakumar Infra Limited			EMS Limited		
	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22
Revenue from operation <sup>(1)</sup>	3,526.94	2,634.88	430.51	57,715	28,690	18,563	71,939	48,425	33,766
Growth in Revenue from operation <sup>(2)</sup>	33.85%	512%	-	101.16%	54.55%	(11.77%)	48.56%	43.41%	2.10%
EBITDA <sup>(3)</sup>	551.44	212.40	19.43	5,232	3218	2,485	3783	3,083	9,363
EBITDA Margin <sup>(4)</sup>	15.63%	8.06%	4.51%	9.06%	11.21%	13.39%	29.20%	29.91%	32.58%
EBIT <sup>(5)</sup>	492.73	199.42	17.03	4614	2580	1946	20476	14287	674
ROCE (%) <sup>(6)</sup>	84.13%	126.56%	67.81%	21.89%	13.65%	21.93%	25.81%	28.81%	27.94%
Current ratio <sup>(7)</sup>	1.25	1.51	1.01	1.60	1.62	1.05	8.80	6.53	3.67
Operating cash flow <sup>(8)</sup>	276.43	(33.54)	26.16	(5,153)	1,994	3,165	(72.93)	0	0
PAT <sup>(9)</sup>	354.59	148.90	12.87	3,013	1605	1,237	14,996	10,319	7,516
PAT Margin <sup>(10)</sup>	10.05%	5.65%	2.99%	5.22%	5.59%	6.66%	20.84%	21.30%	22.25%
Net Worth <sup>(11)</sup>	770.88	266.29	15.38	17493	14419	6226	78478	47979	37646
ROE/ RONW <sup>(12)</sup>	68.38%	105.72%	143.85%	17.22%	11.12%	19.86%	19.10%	21.50%	19.96%
EPS <sup>(13)</sup>	85.60	124.78	16.50	5.54	4.37	3.39	28.91	21.95	63.96

## RISK

**BUSINESS & OPERATIONAL RISKS**

- Company ka majority revenue Odisha state se aata hai, isliye agar wahan government capex slow hota hai ya policy change hoti hai, toh order inflow aur revenue directly impact ho sakta hai.
- Construction sector government-driven hone ke kaaran tender norms, environmental approvals, payment terms ya contract conditions me change business performance ko affect kar sakta hai.
- Revenue limited number of key customers se generate hota hai, aur agar koi major client contract renew na kare ya payment delay kare, toh cash flow aur profitability par pressure aa sakta hai.
- Business promoters ke experience aur government relationships par heavily dependent hai, isliye unki absence ya decision-making disruption execution efficiency ko impact kar sakti hai.
- Related party transactions future me conflict of interest create kar sakte hain, jisse minority shareholders ke interest par adverse impact pad sakta hai.
- Construction industry me margins generally low hote hain, aur cost overrun ya aggressive bidding ke kaaran profitability sustain karna challenging ho sakta hai.
- Past me operating aur investing cash flow negative raha hai, jo liquidity pressure aur future debt dependency ka risk create karta hai.

**CONSTRUCTION & EXECUTION RISKS**

- Structural defects ya material quality issue se repair cost, compensation liability aur reputation damage ho sakta hai.
- Business capital intensive hai jisme heavy machinery aur high working capital ki requirement hoti hai, aur payment delay hone par interest burden badh sakta hai.
- High competition aur aggressive bidding ke kaaran company ko low margin contracts lene pad sakte hain, jisse profit compress ho sakta hai.
- Cement, steel, diesel aur labour cost me inflation fixed-price contracts me pass nahi kiya ja sakta, jisse margins par negative impact padta hai.
- Machinery breakdown ya maintenance failure se project delay ho sakta hai aur penalty lag sakti hai.
- Labour strike ya wage dispute se project halt ho sakta hai aur execution timeline delay ho sakti hai.
- Regulatory non-compliance ya filing delay se penalty aur tender eligibility risk me aa sakti hai.
- Leased premises termination se operations disturb ho sakte hain aur relocation cost badh sakti hai.
- Pending litigation ka adverse decision financial liability create kar sakta hai.
- Environmental aur safety norms violation par heavy penalty ya project suspension ka risk hota hai.
- Trademark registration approval pending hone se brand protection risk me reh sakta hai.
- Bank covenants restrictive hone ke kaaran expansion plans aur additional borrowing limit ho sakti hai.
- Promoter personal guarantee aur collateral risk default situation me financial stress badha sakta hai.
- Construction site accident ya operational failure se compensation claim aur work stoppage ho sakta hai.

**IPO & SHAREHOLDER RISKS**

- Promoters ke paas significant control hone se minority shareholders ke interest ke against decision liya ja sakta hai.
- Adequate insurance coverage na hone par unexpected losses company ko khud bear karne pad sakte hain.
- Promoter ne shares lower cost par acquire kiye ho sakte hain, jabki public higher valuation par invest karegi, jisse listing ke baad price volatility ka risk hota hai.
- Future me additional share issuance ya convertible securities se existing shareholders ka stake dilute ho sakta hai.
- Additional debt lene se interest burden aur cash flow pressure badh sakta hai.
- Company ka dividend history nahi hai, isliye regular income seeking investors ke liye uncertainty ho sakti hai.
- Listing ke baad share price volatility high ho sakti hai aur liquidity limited ho sakti hai.
- Listing delay ya rejection ki rare possibility me investor ka capital temporarily block ho sakta hai.
- Share sale par STCG ya LTCG tax lagega aur future tax rate change investor returns ko impact kar sakta hai.

**MACRO & ECONOMIC RISKS**

- Economic slowdown ki situation me government aur private sector capex reduce ho sakta hai, jisse order book impact ho sakti hai.
- Regulatory, tax ya tender policy changes compliance cost badha sakte hain aur profitability impact kar sakte hain.
- Odisha cyclone-prone region hone ke kaaran natural disaster se project damage aur cost overrun ka risk rehta hai.

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