

Srinibas Pradhan Constructions IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127

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- The company is primarily engaged in infrastructure development across various domain.
- It has prime focus on Roads, Highways and Bridges.
- It marked steady growth in its top and bottom lines for the reported periods.
- Many information is missing from its offer documents.
- Based on its recent financial data, the issue appears aggressively priced.
- There is no harm in skipping this pricey and dicey offer.

About the Company

Srinibas Pradhan Constructions Ltd. (SPCL) is engaged in infrastructure development across various domains, with a primary focus on Roads and Highways, including Rural, Major District, and Urban roads. It utilizes a range of materials such as Aggregate, Sand, Tar, and Cement to ensure durable and reliable construction. In addition to roads, the company focuses on construction of Bridges and Steel Structures, both for bridges and sheds. Its Civil Construction Services encompass a wide spectrum, from Foundations and Superstructures to Multi-Storied Structures, Factories, and Industrial Facilities.

SPCL engages in competitive bidding processes by participating in tenders/bids/quotations and complete the process for getting contracts/work orders for diverse projects in the State of Odisha, such as Roads, Bridges, Irrigation & Canals, Civil, and Industrial construction. The Company operates in the State of Odisha and holds P.W.D. Contractors Registration Certificate as a 'B' Class contractor, enabling us to participate in tenders in the region. Additionally, its wholly-owned subsidiary holds P.W.D. Contractors Registration Certificate as an 'A' Class contractor, enabling it to participate in higher value tenders. Construction of Roads and Bridges has the lion shares in its top lines.

As of February 15, 2026, it had consolidated order book worth Rs. 184.07 cr. As of January 31, 2026, it had 154 employees on its payroll. As per September 30, 2025 tally it had overall 253 employees including subsidiary), and additional contract 65 workers.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 2073600 equity shares of Rs. 10 each to mobilize Rs. 20.32 cr. at the upper cap. The company has announced a price band of Rs. 91 - Rs. 98 per share. The IPO consists of fresh equity issue of 1713600 shares (worth Rs. 16.79 cr. at the upper cap), and an Offer for Sale (OFS) of 360000 equity shares (worth Rs. 3.53 cr. at the upper cap). The minimum application to be made is for 2400 shares and in multiples of 1200

shares thereon, thereafter. The issue opens for subscription on March 06, 2026 and will close on March 10, 2026. The shares will be listed on NSE SME Emerge. The IPO constitute 26.38% of the post-IPO paid-up capital of the company. From the net proceeds of the fresh equity issue, it will utilize Rs. 11.55 cr. for working capital, Rs. 1.00 cr. for prepayment of portion of loan, and the rest for general corporate purposes.

The IPO is solely lead managed by Novus Capital Advisors Pvt. Ltd. (erstwhile known as Fast Track Finsec Pvt. Ltd., and Maashitla Securities Pvt. Ltd. is the registrar to the issue. Rikhav Securities Ltd. is the market maker.

The company has issued initial equity capital at par value. It issued/converted further equity shares in the price range of Rs. 70 – Rs. 160 per share between December 2022, and July 2025. The company has also issue bonus shares in the ration of 8 for 5 in March 2024, and 1 for 3 in July 2025. The average cost of acquisition of shares by the promoters is Rs. 3.92, and Rs. 6.09 per share.

Post-IPO, company's current paid-up equity capital of Rs. 6.15 cr. will stand enhanced to Rs. 7.86 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 77.04 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted total income/ net profit, of Rs. 26.35 cr. / Rs. 1.48 cr. (FY23), Rs. 35.27 cr. / Rs. 3.55 cr. (FY24), Rs. 89.73 cr. / Rs. 6.59 cr. (FY25). For H1 of FY26 ended on September 30, 2025, it earned a net profit of Rs. 4.11 cr. on a total income of Rs. 45.63 cr. The sustainability of such margins going forward is a major concern since it is operating in a highly competitive and fragmented segment.

For the last three fiscals, the company has reported an average EPS of Rs. 42.60 (on a pre-bonus basis (second bonus issue) and an average RoNW of 68.11%. The issue is priced at a P/BV of 2.74 based on its NAV of Rs. 35.81 per share as of September 30, 2025, but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 9.38, and based on FY25 earnings, the P/E stands at 11.69. The issue appears aggressively priced based on its recent earnings and compare with listed peer's data.

The company has posted PAT Margins of 5.62% (FY23), 10.06% (FY24), 7.34% (FY25), 9.01% (H1-FY26), and RoCE margins of 125.21%, 84.29%, 71.01%, 29.79%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in April 2024, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown AVP Infracon, Sonu Infratech, as its listed peers. They are currently trading at a P/E of 5.26, and 6.82 (as of March 02, 2026). However, they are not truly comparable on an apple-to-apple basis. This compare is nothing but an eyewash.

Merchant Banker's Track Record

This is the 11th mandate from Novus Capital (erstwhile Fast Track) in the last three fiscals. Out of the last 10 listings, 4 listed at discount, 1 at par, and the rest with premium ranging from 2.86% to 27.27% on the date of listing. Thus, it has an average track record.

Conclusion / Investment Strategy

SPCL is primarily engaged in infrastructure development across various domain. It has prime focus on Roads, Highways and Bridges. It marked steady growth in its top and bottom lines for the reported periods. Many information is missing from its offer documents. Based on its recent financial data, the issue appears aggressively priced. Small paid-up equity capital post-IPO hints at longer duration for migration. There is no harm in skipping this pricey and dicey offer.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

SEBI Registered Research Analyst – Mumbai · Registration No.: INH000003127 (Perpetual)

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