



To,

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

And

Interactive Financial Services Ltd
 612, 6th Floor, Shree Balaji Heights,
 Kokilaben Vyas Marg, Ellisbridge,
 Ahmedabad – 380 009, Gujarat
 (referred as Book Running Lead Manager)

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”)

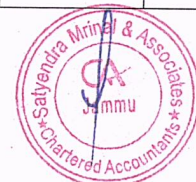
Sub: Certificate on the Working Capital requirement of the Company for the FY 2024-25 and FY 2025-26 on the basis of past financial results of the Company.

1. We, Satyendra Mrinal & Associates the Independent Chartered Accountant and Statutory Auditors of the Company hereby certify the Working Capital requirement of the Company for the FY 2024-25 and FY 2025-26 on the basis of past financial results of the Company. The financial information for the period ended On December 31, 023, For F.Y. 2022-23, For the F.Y 2021-22 and F.Y 2020-21 are derived from the books of accounts of the Company and relevant documents of the Company.

(Rs. In. Lakhs)

Particulars	31.03.2021	31.03.2022	31.03.2023	31.12.2023	31.03.2024	31.03.2025
	Audited	Audited	Audited	Audited	Provisional	Provisional
Work in progress	466.25	842.56	1,036.69	3254.52	902.76	1726.03
Trade Receivables	2,254.03	1,621.29	1,537.93	1041.33	2,465.75	3,287.67
Cash and Bank Balances (without Margin Money Deposit)	706.17	833.55	1,201.87	864.95	2,006.17	2117.67
Margin Money Deposit	878.67	831.8	864.72	1904.81	1,125.00	1,500.00
Investments	433.36	227.83	678.98	1198.9	1,000.00	1250
Loans	109.45	109.36	439.98	245.68	100.00	120
Other Financial assets	3,230.31	4,467.19	3,827.08	4067.16	4,600.00	4800
Other Current Assets	4.65	4.82	22.61	22.79		
Total	8,082.89	8,938.4	9,609.86	12600.14	12,199.68	14801.37
Less:						
Trade Payables	4,219.68	2,720.13	1,115.49	2185.69	1,726.03	2,301.37
other Current Liabilities	181.53	149.93	636.77	618.91	700.00	800
Provisions	949.16	1,483.17	800.81	1173.41	1,000.00	1200
Total Liabilities	5,350.37	4,353.23	2,553.07	3978.01	3,426.03	4,301.37
Net Working Capital	27,32.52	4,585.17	7,056.79	8622.13	8,773.66	10500.00
Less: Bank Borrowings	309.9	543.34	1,158.13	967.64		
Balance	2,422.62	4,041.83	5,898.66	7654.49	8,773.66	10500.00
Financed through Capital Internal Cash Accruals	2,422.62	4,041.83	5,898.66	7654.49	5,898.66	5,900
Fund from IPO					2,875.00	4600.00
Balance						1725.00

Assumptions for working Capital

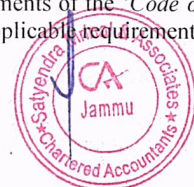




Particulars	No. of Days outstanding or holding level as on				F.Y. 2023-24 (current year)	F.Y. 2024-25 (Estimated)	Justification for Holding
	F.Y. 2020-21	F.Y.2021-22	F.Y.2022-23	Period ended 31 st December 2023			
Work In progress	11	12	13	38	10	10	Estimate for 2023-24 and for 2024-25 is on the basis of past work in progress of last three years.
Trade Receivables	51	22	19	12	20	20	Estimate for 2022-23 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	34	20	20	Estimate for FY 2022-23 and 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.

2. Because the above procedures do not constitute either an audit or a review made in accordance with the generally accepted auditing standards in India, we do not express any assurance on the attached Statement. Had we performed additional procedures or had we performed an audit of the financial statements in accordance with the generally accepted auditing standards in India, other matters might have come to our attention that would have been reported to you.
3. This report has been issued solely at the request of the Board of Directors of the Company in connection with the proposed Issue by the Company. This Report has been issued in accordance with the Standard on Related Services (SRS) 4400, 'Engagements to Perform Agreed-upon Procedures regarding Financial Information', issued by the ICAI. Therefore, this Report may not be suitable for any other jurisdiction other than in India. This certificate is solely for the information of the addressee in connection with the proposed Issuing of securities in India. The addressee may share this report with the Company's Book Running Lead Manager duly appointed in this regard. This Report is not to be used, circulated or quoted or otherwise referred to for any other purposes, including but not limited to the registration, purchase or sale of securities, nor is it to be filed with the stock exchanges or any regulatory authorities unless required under applicable laws or regulations or referred to in whole or in part in the Draft Red Herring Prospectus or any other document.

We conducted our examination of the information given in this certificate (including the annexures thereto) in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the ICAI, as revised from time to time, to obtain a reasonable assurance that such details are in agreement with the books of accounts and other relevant records provided to us, in all material respects; the aforesaid Guidance Note requires that we comply with the ethical requirements of the 'Code of Ethics' issued by the ICAI, as revised from time to time. Further, we have complied with the relevant applicable requirements





of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements', as revised from time to time.

This certificate may be relied upon by the Company, BRLM and Legal Counsel appointed in relation to the Issue. This certificate is for information and for inclusion in the Draft 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 advertisement or investor presentation made by or on behalf of the Company) to be issued in relation to the Issue (together referred as "Issue Documents") prepared in connection with the Issue or any other document to be issued or filed in relation to the Issue, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and / or for the records to be maintained by the BRLM in connection with the Issue, and in accordance with applicable law, and for the purpose of any defense the BRLM may wish to advance in any claim or proceeding in connection with the contents of this certificate.

We confirm that any changes to the above that come to our attention will immediately be intimated to the BRLM and the Legal Counsel to the Issue in writing till the date the Equity Shares of the Company commences trading on the stock exchanges. In the absence of any communication from us, you may assume that there is no change in respect of the matters covered in this certificate.

We hereby indemnify and keep indemnified, saved, defended and harmless the BRLM and Legal Counsel to the proposed Issue of the Company and all persons claiming under them ("Indemnified Persons"), from and against all losses and/or damages arising as a result of the aforementioned representations made by us in order to disclose details of the same in the Issue Documents including the Draft Red Herring Prospectus, the Prospectus, the Preliminary International Wrap/Issuing Memorandum, the Abridged Prospectus, etc., for the Issue or arising as a result of any notices, proceedings, litigations, claims, penalties, demands and costs that may be made and/or raised on the Indemnified Persons by any third parties and/or with regard to any matter arising in connection thereto or otherwise by reason of the matter contemplated herein and/or sustained by the BRLM and/or Legal Counsel to the Issue as a result of any statements, representations, assurances, confirmations hereinunder given being untrue.

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

Yours sincerely,

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


Amit Gupta

Partner

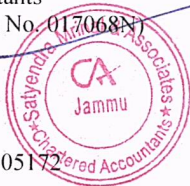
Membership No. 505172

Place: Jammu

Date: March 02, 2024

UDIN : 24505172BKAIOL1651

Encl: As above



CC:

Legal Counsel to the Issue

Vidhigya Associates

501, 5th floor, Jeevan Sahakar Building

Homji Street, Fort, Mumbai 400 001.

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