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LIKHITHA INFRASTRUCTURE LIMITED

Our Company was incorporated under the provisions of the Companies Act, 1956 as "Likhitha Constructions Private Limited" on August 06, 1998, as a private limited company vide Certificate of Incorporation issued by RoC, Hyderabad, Andhra Pradesh. Our Company's name was subsequently changed to "Likhitha Infrastructure Private Limited" pursuant to a Fresh Certificate of Incorporation consequent upon change of name dated March 30, 2011 issued by RoC, Hyderabad, Andhra Pradesh. Subsequently, our Company was converted into a public limited company and the name of our Company changed to "Likhitha Infrastructure Limited" pursuant to a shareholders' resolution passed at the Extra-Ordinary General Meeting of our Company held on January 11, 2019 and a Fresh Certificate of Incorporation dated February 12, 2019 was issued by the RoC, Hyderabad. For details on change of name and registered office of our Company, please refer to chapter titled "History and Certain Corporate Matters" beginning on page 145 of the Red Herring Prospectus ("RHP").

Registered office: Flat No. 701, Plot No.8-3-940 and 8-3-940/A to E, Tirumala Shah Residency, Yellareddy Guda, Ameerpet, Hyderabad-500073, Telangana, India | **Telephone:** +91 40-23752657 | **Email:** cs@likhitha.in | **Website:** www.likhitha.co.in
Contact Person: Mr. Santhosh Kumar Gunemoni, Company Secretary and Compliance Officer | **Corporate Identity Number:** U45200TG1998PLC029911

OUR PROMOTERS: MR. SRINIVASA RAO GADDIPATI AND MS. LIKHITHA GADDIPATI

PUBLIC ISSUE OF UPTO 51,00,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF LIKHITHA INFRASTRUCTURE LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹(-)/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹(-)/- PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹(-) LAKHS ("THE ISSUE"). THE ISSUE WILL CONSTITUTE [-]% OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

QIB CATEGORY: NOT MORE THAN 50% OF THE ISSUE

NON INSTITUTIONAL INVESTOR CATEGORY: NOT LESS THAN 15% OF THE ISSUE

RETAIL CATEGORY: NOT LESS THAN 35% OF THE ISSUE

PRICE BAND: ₹117 TO ₹120 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH.

THE FLOOR PRICE IS 11.70 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 12 TIMES OF THE FACE VALUE.

BIDS CAN BE MADE FOR A MINIMUM OF 125 EQUITY SHARES AND IN MULTIPLES OF 125 EQUITY SHARES THEREAFTER

ASBA*	Simple, safe, smart way of Application!!!!	Mandatory in Public issues. No cheque will be accepted	*Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA below.
 UNIFIED PAYMENTS INTERFACE	UPI-Now available in ASBA for Retail Individual Investors ("RII")** Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPI – Now available in ASBA for Retail Individual Bidders applying through Registered Brokers, DP's & RTA. Retail Individual Bidders also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account.		

*ASBA has to be availed by all the investors except Anchor Investors (if any). UPI may be availed by RIIs.
For details on the ASBA and UPI process, please refer to the details given in ASBA Form and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 284 of the RHP. The process is also available on the website of AIBI and Stock Exchanges in the General Information Document. ASBA Forms can be downloaded from the website of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges") and can be obtained from the list of banks that is displaying on website of SEBI at www.sebi.gov.in. **List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. For the list of UPI Apps and Banks live on IPO, please refer to the link: www.sebi.gov.in. ICICI Bank Limited has been appointed as Sponsor Bank for the issue in accordance with the requirements of the SEBI Circular dated November 1, 2018, as amended.

RISKS TO INVESTORS

Average cost of acquisition per Equity Share by our Promoters, Mr. Srinivasa Rao Gaddipati and Ms. Likhitha Gaddipati is ₹0.68 and NIL, respectively and Issue Price at upper end of the Price Band is ₹120 per Equity Share.
For details of build-up of Promoters' shareholding in our Company and risk factors, please see "Capital Structure" and "Risk Factors" on page 71 and 31 of the RHP.

BASIS FOR ISSUE PRICE

The Issue price has been determined by our Company in consultation with the BRLM on the basis of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors.

The face value of the Equity Shares of our Company is ₹10 each and the Issue Price is 11.70 times of the face value at the Floor Price and 12 times the face value at the Cap Price.

Qualitative Factors

Some of the qualitative factors, which form the basis for computing the price, are:

- Experienced Promoter and proficient management team.
- Established track record in executing Pipeline Infrastructure projects and O&M Services
- Long standing relationship with our customers
- Strong financial performance
- Low debt equity ratio

For further details, refer to heading "Our Competitive Strengths" under section titled "Our Business" beginning on page 114 of the RHP.

Quantitative Factors

The information presented below relating to the Company is based on the restated financial statements of the Company for the Financial Years 2020, 2019 and 2018. For details, see "Restated Financial Statements" on page 179 of the RHP.

Some of the quantitative factors, which form the basis or computing the price, are as follows:

- Basic and Diluted Earnings per Share (EPS)**
a) Before providing effect of Bonus Issue

Year Ended	Basic & Diluted EPS (₹)	Weight
March 31, 2020	13.59	3
March 31, 2019	39.68	2
March 31, 2018	15.92	1
Weighted Average	22.68	-

Notes:

- Ratios have been calculated as below

Earnings Per Share (EPS) (₹)	Restated Profit attributable to Equity Shareholders
	Number of Equity Shares outstanding as on the date of respective year end*
Diluted Earnings Per Share (EPS) (₹)	Restated Profit attributable to Equity Shareholders
	Number of Diluted Potential Equity Shares as on the date of respective year end

*the increase in the capital by way of bonus issue is not considered

- Earnings Per Share calculation are in accordance with Ind AS-33 "Earnings Per Share".
- The face value per equity share is ₹10.

b. After providing effect of Bonus Issue:

Year Ended	Basic & Diluted EPS (₹)	Weight
March 31, 2020	13.59	3
March 31, 2019	12.21	2
March 31, 2018	4.90	1
Weighted Average	11.68	-

Notes:

- Ratios have been calculated as below

Basic Earnings Per Share (EPS) (₹)	Restated Profit attributable to Equity Shareholders
	Weighted Average Number of Equity Shares outstanding during the year*
Diluted Earnings Per Share (EPS) (₹)	Restated Profit attributable to Equity Shareholders
	Weighted Average Number of Diluted Potential Equity Shares outstanding during the year*

*as the increase in the capital by way of bonus weight age is considered

- Earnings per share calculations are in accordance with Ind AS 33 "Earnings per Share"
- On 23/12/2019 the company has issued 1,01,25,000 bonus shares to the existing equity shareholders in the ratio of 2.25:1. In case of a bonus issue the ordinary

shares are issued to existing shareholders for no additional consideration. Therefore, the number of ordinary shares outstanding is increased without an increase in resources. The number of equity shares outstanding before the bonus issue are adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented. Accordingly, in the statement of accounting ratios with bonus effect the number of equity shares increased to 1,46,25,000 from existing outstanding equity shares of 45,00,000 in order to take the bonus issue effect into consideration.

- The face value per equity share is ₹10.

2. Price to Earnings (P/E) ratio in relation to Price Band of ₹117 to ₹120 per Equity Share of ₹10 each fully paid up

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
P/E ratio based on Basic & Diluted EPS for FY 2019-20	8.61	8.83
P/E ratio based on Weighted Average Basic & Diluted EPS for FY 2019-20	10.02	10.27

EPS taken to calculate the P/E is after taking into consideration Bonus Issue

Industry Peer Group P/E ratio:

We believe that there are no listed peers engaged exclusively in the segment which we operate. Thus, it is not possible to provide an industry comparison in relation to our Company.

3. Return on Net worth (RoNW)

Return on Net Worth (RoNW) as per restated financial statements.

Particulars	Amount (in ₹)	Weight
March 31, 2020	33.06%	3
March 31, 2019	43.16%	2
March 31, 2018	24.83%	1
Weighted Average	35.06%	-

Note: Return on Networth has been calculated as per the following formula:

$$RONW = \frac{\text{Net profit / loss after tax, as restated}}{\text{Networth (Average of beginning and end of the year)}}$$

Weighted average RoNW is the 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 (NAV)

Particulars	Amount (in ₹)
Net Asset Value per Equity Share as of March 31, 2020	47.83
Net Asset Value per Equity Share after the Issue:	
- At the Floor Price	65.72
- At the Cap Price	66.49
Issue Price per equity share	[*]

Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year. Total no of shares taken to calculate the NAV is after taking into consideration Bonus Issue

Note: Net Asset Value has been calculated as per the following formula:

$$NAV = \frac{\text{Networth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year / period}}$$

Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

5. Comparison with industry peers

As on the date of the RHP, there are no listed companies in India which are engaged in the same line of business as our Company, hence comparison with industry peers are not applicable.

For further details, see the section titled "Basis for Issue Price" on page 92 of the RHP.

Investors should carefully read the above mentioned information along with the RHP, namely, including but not limited to the chapters titled, "Risk Factors", "Our Business", "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 31, 114, 179 and 237 of the RHP for a more informed view before making any investment decision. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

BID/ISSUE PERIOD

BID/ISSUE OPENS ON SEPTEMBER 29, 2020 BID/ISSUE CLOSES ON OCTOBER 01, 2020*

*Our Company in consultation with the BRLM may decide to close the Bid/Issue Period for QIBs, if any, one Working Day prior to the Bid/Issue Closing Date

In case of revision in the Price Band, the Bid/Issue Period will be extended by at least three (3) additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding ten (10) Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, 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 ("BRLM"), and at the terminals of the members of the Syndicate and by intimation to Self Certified Syndicate Banks ("SCSBs"), the Sponsor Bank, and other Designated Intermediaries, as applicable.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulations) Rules, 1957, as amended (the "SCRR") the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process, in compliance with Regulation 6(1) of the Securities and Exchange Board of India (Issue Capital and Disclosure Requirements) Regulations, 2018, as amended ("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"). Further, 5% of the QIB 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 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 and not less than 35% of the Issue shall be available for allocation to RIIs in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All Bidders, shall only participate in the Issue through the Application Supported by Block Amount ("ASBA") process by providing details of their respective bank account (including UPI ID for RIIs using UPI Mechanism) wherein the Bid Amounts will be blocked by SCSBs or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, please refer to "Issue Procedure" beginning on page 284 of the RHP.

Bidders / Applicants should ensure that DP ID, PAN and Client ID and UPI ID (as applicable) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidder/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidders/Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects and other objects of our Company, see "History and Certain Corporate Matters" on page 145 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, see the section "Material Contracts and Documents for Inspection" on page 338 of the RHP.

BOOK RUNNING LEAD MANAGER		REGISTRAR TO THE ISSUE	COMPANY SECRETARY AND COMPLIANCE OFFICER
 UNISTONE CAPITAL PRIVATE LIMITED 12, Floor No. 02, Shashank CHS Ltd, Manmala Tank Road, Near Starcity Cinema Mahim, Mumbai 400 016, India. Telephone: +91 9322997964 Email: mb@unistonecapital.com Investor grievance email: compliance@unistonecapital.com Contact Person: Mr. Brijesh Parekh Website: www.unistonecapital.com SEBI registration number: INM000012449 CIN: U65999MH2019PTC330850	 BIGSHARE SERVICES PRIVATE LIMITED 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059, India. Telephone: +91 22 6263 8200; Facsimile: +91 22 6263 8280 Email: ipo@bigshareonline.com Investor grievance email: investor@bigshareonline.com Contact Person: Mr. Ashish Bhope Website: www.bigshareonline.com SEBI Registration Number: INR000001385 CIN: U99999MH1994PTC076534U6	Mr. Santhosh Kumar Gunemoni Flat No. 701, Plot No.8-3-940 and 8-3-940/A to E, Tirumala Shah Residency, Yellareddy Guda, Ameerpet, Hyderabad-500073, Telangana, India. Telephone: 040-23752657; Email id: cs@likhitha.in Website: www.likhitha.co.in	
		Investors can contact the Company Secretary and Compliance Officer, BRLM or the Registrar to the Issue in case of any pre-Issue or post Issue related problems, such as 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.	

AVAILABILITY OF RHP: Investors are advised to refer to the RHP and the Risk Factors contained therein before applying in the Issue. Full copy of the RHP is available on the website of the SEBI at www.sebi.gov.in, the website of the BRLM to the Issue at www.unistonecapital.com and websites of BSE and NSE i.e. www.bseindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID-CUM-APPLICATION FORMS: Bid-Cum-Application forms can be obtained from the Registered Office of the Company: Likhitha Infrastructure Limited (Telephone: 040-23752657), BRLM: Unistone Capital Private Limited (Telephone: +91 9322997964), **Syndicate Member:** Rikhav Securities Limited (Telephone: 022-25935353, Fax: 022-25935300) and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, RTA and CDPs participating in the Issue. Bid-cum-application Forms will also be available on the websites of BSE (www.bseindia.com), NSE (www.nseindia.com) and the designated branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

SYNDICATE MEMBER: Rikhav Securities Limited

SUB-SYNDICATE MEMBERS: Kotak Securities Limited and IDBI Capital Markets & Securities Limited

BANKERS TO THE ISSUE / SPONSOR BANK / ESCROW COLLECTION BANK / PUBLIC ISSUE BANK / REFUND BANK: ICICI Bank Limited.

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP

Place: Hyderabad
Date: September 23, 2020

Likhitha Infrastructure Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offering of its Equity Shares and has filed the RHP with Registrar of Companies Telangana at Hyderabad on September 17, 2020. The RHP shall be available on the website of the SEBI at www.sebi.gov.in, the website of the BRLM to the Issue at www.unistonecapital.com and websites of BSE and NSE i.e. www.bseindia.com and www.nseindia.com, respectively. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see section titled "Risk Factors" beginning on page 31 of the RHP. Potential investors should not rely on the DRHP for making any investment decision.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in 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 Securities Act and any applicable U.S. state securities laws. There will be no public offering in the United States and the securities being offered in this announcement are not being offered or sold in the United States.

For LIKHITHA INFRASTRUCTURE LIMITED
On Behalf of the Board of Directors
Sd/-
Srinivasa Rao Gaddipati
Managing Director