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active

ACTIVE INFRASTRUCTURES LIMITED
CIN: U45200MH2007PLC174506

Registered Office: Riaan Tower, 10th Floor, Mangalwari Road, Sadar, Sadar Bazar, Nagpur 440001, Maharashtra, India;
Contact Person: Ms. Aanchal Tembhre, Company Secretary and Compliance Officer; **E-mail:** investorinfo@activeinfra.in;
Website: <https://activeinfra.in/>; **Telephone No.:** +91 7030002840.

OUR PROMOTERS ARE MR. SUNIL GYANCHAND RAISONI AND MR. SHREYAS SUNIL RAISONI AND OUR CORPORATE PROMOTERS ARE SHRADHA INFRAPROJECTS LIMITED AND RIAAN DIAGNOSTIC PRIVATE LIMITED

INITIAL PUBLIC ISSUE OF UPTO 43,00,200 EQUITY SHARES OF FACE VALUE OF ₹ 5/- EACH OF ACTIVE INFRASTRUCTURES LIMITED (“ACTIVE” OR 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”), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 5/- EACH FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 5/- EACH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] %, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 5/- EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BYOUR COMPANY IN CONSULTATION WITH THE BRLM ADVERTISED IN ALL EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITION OF [●] CIRCULATED HINDI NATIONAL DAILY NEWSPAPER. AND ALL EDITION OF [●] THE REGIONAL NEWSPAPER (MARATHI REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED OFFICE IS LOCATED). AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE” “STOCK EXCHANGE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE. FOR FURTHER DETAILS KINDLY REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 309 OF THE DRAFT RED HERRING PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS ₹5/- EACH AND THE OFFER PRICE IS [●] TIMES OF THE FACE VALUE

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED: DECEMBER 11, 2024: NOTICE TO THE INVESTORS (“THE ADDENDUM”)

This addendum (“Addendum”) should be read in conjunction with the Draft Red Herring Prospectus dated December 11, 2024 filed with EMERGE Platform of the National Stock Exchange of India Limited (“NSE EMERGE”) in relation to the Initial Public Issue of Active Infrastructures Limited.

In this regard, the Investor should note that certain updates and modifications has been made in various chapters of the Draft Red Herring Prospectus as per the instruction of the NSE and such updates and modifications are being presented to the Investors for their information and reference by way of this Addendum to the Draft Red Herring Prospectus. The following chapters have been modified:

1. Chapter titled “**Definitions and Abbreviations**” beginning on page 1 of the Draft Red Herring Prospectus has been updated.
2. Chapter titled “**Risk Factors**” beginning on page 29 of the Draft Red Herring Prospectus has been updated.
3. Chapter titled “**General Information**” beginning on page 55 of the Draft Red Herring Prospectus has been updated.
4. Chapter titled “**Capital Structure**” beginning on page 64 of the Draft Red Herring Prospectus has been updated.
5. Chapter titled “**Objects of the Issue**” beginning on page 77 of the Draft Red Herring Prospectus has been updated.
6. Chapter titled “**Our Business**” beginning on page 113 of the Draft Red Herring Prospectus has been updated.

7. Chapter titled “**History and Certain Corporate Matters**” beginning on page 144 of the Draft Red Herring Prospectus has been updated.
8. Chapter titled “**Restated Consolidated Financial Statements and Other Financial Information**” beginning on page 185 of the Draft Red Herring Prospectus has been updated.
9. Chapter titled “**Government and Other Statutory Approvals**” beginning on page 292 of the Draft Red Herring Prospectus has been updated.
10. Chapter titled “**Other Regulatory and Statutory Disclosures**” beginning on page 299 of the Draft Red Herring Prospectus has been updated.
11. Chapter titled “**Main Provisions of Articles of Association**” beginning on page 352 of the Draft Red Herring Prospectus has been updated.

This Addendum is to be read in conjunction with the Draft Red Herring Prospectus and accordingly all references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus, as and when filed with NSE EMERGE and RoC. Please note that this Addendum does not reflect all the changes that have occurred between the date of filing of the Draft Red Herring Prospectus and the date hereof, and accordingly does not include all the changes and/or updates that will be included in the Red Herring Prospectus. Potential Bidders should read the Red Herring Prospectus as and when filed with the RoC, and the NSE before making an investment decision in the Issue.

All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meanings ascribed to them in the Draft Red Herring Prospectus.

Date: February 17, 2025

Place: Nagpur

ACTIVE INFRASTRUCTURES LIMITED



On behalf of the Board of Directors

Sd/-

Mr. Nitesh Sanklecha

Managing Director

DIN: 03532145

LEAD MANAGER TO THE OFFER		REGISTRAR TO THE ISSUE	
KREO CAPITAL PRIVATE LIMITED  Contact Person: Mr. Ayush Parakh Registered Address: 2nd Floor, VCA Complex, Near Gate No. 08, Civil Lines, Sadar Bazar, Nagpur – 440001, Maharashtra, India Tel No: +91-712-2997550/ +91-712-2997551 E-mail : office@kreocapital.com Website: https://www.kreocapital.com/ SEBI Registration No.: INM000012689		BIGSHARE SERVICES PRIVATE LIMITED  Contact Person: Mr. Sagar Pathare Address: S6-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, next to Ahura Centre, Andheri East, Mumbai- 400093, Maharashtra, India. Tel No: +91 22 62638200. E-mail: ipo@bigshareonline.com Website: https://www.bigshareonline.com SEBI Registration Number: INR000001385	
BID / ISSUE PROGRAMME			
ANCHOR INVESTOR BIDDING DATE		[●](1)	
BID / ISSUE OPENS ON: [●]		[●](1)	
BID / ISSUE CLOSES ON: [●]		[●](2)(3)	

(1) 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 one (1) Working Day prior to the Bid/Issue Opening Date.

- (2) Our Company may, 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 at 5:00 pm on the Bid/Issue Closing*

SECTION I- GENERAL
DEFINITIONS AND ABBREVIATIONS

ISSUE RELATED TERMS

Terms	Descriptions
Addendum	The Addendum dated February 17, 2025 to the Draft Red Herring Prospectus filed by our Company.

SECTION III – RISK FACTORS

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

Our Company has entered into certain related party transactions in the past. For information regarding the related party transactions, see *Note 39 (6)* beginning on page no. 255 of the section titled “*Restated Consolidated Financial Information*” on page 185 of this Draft Red Herring Prospectus. While all such transactions are conducted on arm’s length basis and related party transactions entered in to by the Company are in compliance with the Companies Act 2013 and other applicable laws. However, there can be no assurance that the Company could not have achieved more favorable terms if such transactions had not been entered into with related parties. In order to have sustained availability of quality services, ease of customer reach and in the best interest of the Company & its members/shareholders, the Company in future may propose to enter into material related party transactions with the related party/ies of the Company from time to time. All related party transactions that we may enter into post-listing, will be subject to an approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act and/or the SEBI Listing. In future the directors & Key managerial personnel of the Company along with their respective relative may be interested financially or otherwise in such related party transaction or any other future transaction which may be entered with such related parties.

Total Revenue for the half year ended September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022 is detailed below

	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Total Revenue	3,389.85	9,743.06	8,958.72	110.54

(₹ in Lakhs)

Summary of transactions entered with related parties along with percentages for the half year ended September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022 is detailed below

Transactions during the year	Name of the party	For the period / year ended on							
		September 30, 2024	% of Revenue	March 31, 2024	% of Revenue	March 31, 2023	% of Revenue	March 31, 2022	% of Revenue
Loan Taken	Shradha Infraprojects Limited	38.5	1.13%	-	-	-	-	-	-
Sale of RMC	Shradha Infraprojects Limited	0.06	0.00%	1.74	0.01%	10.88	0.12%	38.26	34.61%
	Suntech Infraestate Nagpur Private Limited	0.39	0.01%	169.71	1.74%	112.40	1.25%	69.79	63.13%
Dividend Paid	Shradha Infraprojects Limited	168.76	4.97%	0.00	0.00%	251.13	2.80%	-	-
Interest on Loan	Digvijay Shradha Infrastructure Private Limited	7.48	0.22%	11.69	0.11%	1.33	0.01%	-	-
Purchase of Shares	Mr. Sunil Raisonni	0.00	0.00%	6.37	0.06%	-	-	-	-
Fixed Capital	Stargate Ventures LLP	0.34	0.01%	0.34	0.00%	-	-	-	-
	Solus Ventures LLP	0.34	0.01%	0.34	0.00%	-	-	-	-
	Stargate Ventures LLP	129.5	3.82%	129.5	1.32%	-	-	-	-

Current Capital	Solus Ventures LLP	2.51	0.07%	(0.42)	(0.00%)	-	-	-	-
Remuneration	Nitesh Sanklecha (Managing Director)	2.18	0.06%	-	-	-	-	-	-
Loan taken	Mr. Sunil Raisonni	-	-	-	-	0.00	0.00%	289.20	261.62%
	Mrs. Shruti Daddha	21.25	0.62%	54.00	0.55%	-	-	0.00	0.00%
	Mrs. Shobha Raisonni	-	-	-	-	-	-	0.00	0.00%
	Mrs. Shradha Surana	36.50	1.07%	26.00	0.26%	-	-	0.00	0.00%
Interest Expenses on Loan taken	Mr. Sunil Raisonni	-	-	-	-	0.00	0.00%	5.27	4.76%
	Mrs. Shruti Daddha	-	-	0.03	0.00%	-	-	0.00	0.00%
	Mrs. Shobha Raisonni	-	-	-	-	-	-	0.00	0.00%
	Mrs. Shradha Surana	-	-	0.07	0.00%	-	-	0.00	0.00%
Loan repayment	Mr. Sunil Raisonni	-	-	-	-	0.00	0.00%	299.94	271.34%
	Mrs. Shruti Daddha	15	0.44%	-	-	-	-	0.00	0.00%
	Mrs. Shobha Raisonni	-	-	-	-	-	-	0.00	0.00%
	Mrs. Shradha Surana	62.00	1.82%	-	-	-	-	0.00	0.00%
	Shradha Infraprojects Limited	38.50	1.13%	-	-	-	-	-	-
Sale of Materials from Subsidiary	Jain Engineering Works Pvt Ltd	32.81	0.96%	-	-	-	-	-	-
Sale of materials		188.61	5.56%	-	-	-	-	-	-

For details, please refer to Section titled “*Restated Consolidated Financial Statements*” beginning on page 185 of the Draft Red Herring Prospectus.

19. Our Company is dependent on third parties for the supply of materials required for our projects and is exposed to risks relating to fluctuations in commodity prices and shortage of such materials. Further, we do not have any long-term supply agreements with the raw material providers.

We rely on various building such as bricks, stones, steel, and cement for our projects, and the cost of these materials depends on commodity prices, which can fluctuate. While we maintain strong relationships with our suppliers, we do not have formal agreements for material procurement. Instead, we choose suppliers based on price and availability at the time of need. Without contracts in place, our suppliers are not obligated to continue supplying materials to us at specific rates, and they may prioritize our competitors, leading to delays or increased costs.

The details of the amount and percentage of purchases from our top suppliers are provided below for further details please refer to heading titled “Our Suppliers of Raw Material” on page 132, under the chapter titled “Our Business,” on page 113 of this DRHP.

Sr. No.	Particulars	For the year / period ended							
		September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
1.	Purchases from Top ten (10) suppliers	848.78	50.40%	1946.32	40.10%	1868.21	57.99%	1156.04	56.66%

If any of our suppliers decide to discontinue their relationship with us, we may face challenges in finding a suitable alternative that meets our quality standards within a reasonable timeframe, or possibly at all. Any disruption in the availability of building materials could delay our projects and lead to cost overruns.

Additionally, there is no guarantee that high demand, capacity constraints, or other issues experienced by our suppliers won't result in occasional shortages or delays. Should we face a significant or prolonged shortage and be unable to source materials elsewhere, our project schedules may be delayed, negatively affecting our sales, profit margins, and customer relationships. Moreover, if the prices of building materials rise sharply, it may be difficult for us to secure alternative suppliers within a reasonable budget.

29. If we experience a major uninsured loss or an insured loss that far exceeds our insurance coverage, it could negatively impact our financial condition and operational results.

Our business could incur losses due to fire, natural disasters, theft, or other events, which may not be covered by insurance we currently have. Even when we secure insurance in the future, there is no guarantee that the terms will be sufficient to cover any damage or loss, that coverage will remain available on reasonable terms, or that it will be adequate for large claims. Our insurance policies are designed to mitigate business risks, including legal, strategic, reputational, operational, human, and financial risks. Additionally, there is a risk that the insurer may deny future claims. We will also need to renew our policies periodically, and failure to do so on time or at all could leave us exposed to significant uninsured losses. Should we experience a large uninsured loss, or if an insured loss exceeds our coverage, it could negatively affect our business, financial condition, and operational results.

There are no losses vis-a-vis. insurance cover in the past 3 years also there are no any past instance of claim exceeding liability insurance cover.

32. We are subject to the risk of Tenant Vacating the Premises owned by us.

Our Company leases portions of its property to third-party tenants. There exists a risk that one or more tenants may, prior to the expiration of their respective lease agreements, vacate the premises or elect not to renew their leases upon expiration. In such circumstances, our Company may be exposed to a reduction or cessation of rental income, which may materially and adversely affect the Company's financial condition, cash flows, and operational results.

In the event of such vacancy, our Company may face difficulties in securing replacement tenants on comparable terms or within a reasonable time frame. Any delay in re-letting the premises, or re-letting on less favorable terms, could result in the Company incurring additional costs, including, but not limited to, maintenance, security, and marketing expenses, which may further negatively impact our Company's profitability. Prolonged vacancies may also adversely affect the market value of the property. While our Company undertakes commercially reasonable efforts to maintain tenant relationships and mitigate the risk of vacancy, there can be no assurance that the Company will be successful in preventing tenants from vacating or securing new tenants in a timely and economically favorable manner. However, as of the date of this Draft Red Herring Prospectus (DRHP), there are no past instances w.r.t to this risk factor.

SECTION IV- INTRODUCTION

GENERAL INFORMATION

CHANGES IN AUDITORS

There has been no change in the Statutory Auditors during the three years immediately preceding the date of this Draft Red Herring Prospectus except as disclosed below:

Particulars	Reason for change
P N Gupta Address: GS/7, Priyanka Palace, Congress Nagar, Nagpur 440012, Maharashtra, India Email: pngca@rediffmail.com Contact Person: Mr. Sheel Gupta Contact No: 8788663582 Membership No: 044161 Date of Appointment: October 09, 2020 Resignation Date: November 21, 2024	Resigned from Statutory Auditors of the company as P N Gupta is not a Peer Reviewed Firm and the company is planning to come up with an Initial Public Offer and as per SEBI Listing Regulations, Listed Company should have a Peer Reviewed Statutory Auditors.

CAPITAL STRUCTURE

9. We are in compliance with the Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of this Draft Red Herring Prospectus (DRHP).

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

DETAILS OF THE OBJECTS OF THE ISSUE

1. Funding Working Capital Requirements of our Company

Our Company operates primarily in two key segments: Infrastructure and Construction of Commercial Projects. Within the Infrastructure segment, our focus encompasses the construction of roads (including bridges), flyovers, water supply systems, irrigation projects, and other related infrastructure activities and in our Construction of Commercial Projects segment, we build various spaces such as, office complexes, retail centers, exhibition halls, retail outlets, private educational institutions, and other facilities. Our Company began operations focusing on Construction of Commercial Projects and has since expanded its services to encompass all aspects of Infrastructure segment as detailed above. To continue the expansion, our Company proposes to utilize Rs. 3898.04 lakhs towards funding its working capital requirements in the ordinary course of business. We have significant working capital requirements, and in the ordinary course of business, we fund our working capital needs through internal accruals and/or through debt facilities. Our Company, in order to support its funding growth opportunities, incremental business requirements and for other strategic, business, and corporate purposes requires additional working capital and such funding is expected to lead to a consequent increase in our revenues and profitability.

Existing Working Capital and Source of Funding

The details of our Company's existing working capital gap and source of their funding, based on standalone financial statements for the half year ended September 30, 2024 and for the financial year ended March 31 2024, 2023 and 2022 are provided in the table below:

(Rs. in Lakhs)

Particulars	As per Standalone financial statement			
	March 31, 2022	March 31, 2023	March 31, 2024	September 30, 2024
Current Assets				
Inventories	12,362.49	7,955.91	4,843.21	3,802.12
Trade Receivables	-	41.21	33.30	189.69
Loans	-	215.95	253.72	1,004.18
Other Financial Assets	0.40	-	-	9.90
Current Tax Assets (Net)	1.21	1.21	1.21	1.30
Other Current Assets	6.33	1.58	7.98	49.75
Total (I)	12,370.44	8,215.86	5,139.42	5,056.93
Current Liabilities				
Short Term Borrowings	10,847.40	6,107.33	2,698.20	2,260.90
Trade Payables	528.26	269.56	130.37	164.20
Other Financial Liabilities	3.50	7.81	8.99	159.97
Other Current Liabilities	52.81	61.13	57.60	10.72
Current Tax Liabilities (Net)	2.68	92.40	28.16	85.84
Total (II)	11,434.66	6,538.23	2,923.33	2,681.62
Net Working Capital (I) – (II)	935.78	1,677.63	2,216.09	2,375.31
Sources of funds:				
Owned Funds	935.78	1,677.63	2,216.09	2,375.31

Details for increase in working capital requirement of the Company for FY 2023

One of the important factors affecting the working capital requirements of the business is its scale and at what stage is it positioned in its economic life cycle. The Company's fund requirement went up as the Trade Receivables increased by Rs. 41.21 Lakhs in fiscal year ended 31 March, 2023 from NIL in fiscal year ended 31 March, 2022. This was due to increase in revenue from operations of Company which went up by 7484.47% to Rs. 8,349.21 Lakhs in fiscal year ended 31 March, 2023 as compared to Rs. 110.08 Lakhs in fiscal year ended 31 March, 2022 primarily due to sale of the Office Block/Commercial Space (from NIL in fiscal 2022 to Rs 8,050.00 lakhs in fiscal 2023). Also Company's fund requirement went up as the Loans (extended to Digvijay Shradha Infrastructure Private Limited, a material subsidiary of the Company) increased by Rs. 215.95 Lakhs in fiscal year ended 31 March, 2023 from NIL in fiscal year ended 31 March, 2022.

Apart from this, the Company repaid Short-Term Borrowings of Rs. 4,740.07 Lakhs in the fiscal year ended 31 March, 2023. The short-term borrowings were repaid as Company had clear funds available as other than Rs. 41.21 Lakhs of revenue which was yet to be realized and seen as debtors in financials the balance revenue was realized. Also, the Company earned other income amounting to Rs. 2.34 Lakhs which further increased fund balance available with the Company. The reason of this balance is primarily due to increase in Other Income (from Rs 0.30 lakhs in fiscal 2022 to Rs 1 lakhs in fiscal 2023).

There was also reduction in Trade Payables by Rs. 258.70 Lakhs which came to be at Rs. 269.56 in the fiscal year ended 31 March, 2023 from Rs. 528.26 Lakhs in the fiscal year ended 31 March, 2022. The trade payables were repaid as Company had clear funds available.

Therefore, trade receivables along with repayment of Short-Term Borrowings & Trade payable, majorly led to an increase in fund requirement for doing business by the Company thereby leading to increased Working Capital requirement.

Details for Increase in working capital requirement of the Company for FY 2024

During the fiscal year ended 31 March, 2024 the Company's overall fund requirement increased. Company's fund requirement went up as the Other Current Assets went up by Rs. 6.40 Lakhs to Rs. 7.98 Lakhs in FY 2023-24 from Rs. 1.58 Lakhs in FY 2022-23. This increase was majorly due to advance given to creditors for business purpose.

During the said year the Trade Receivables went down by Rs. 7.91 Lakhs to Rs. 33.30 Lakhs in FY 2023-24 from Rs. 41.21 Lakhs in FY 2022-23. This was due to money being realised from them partially.

Apart from this, the Company repaid Short-Term Borrowings of Rs. 3409.13 Lakhs in the fiscal year ended 31 March, 2024. The short-term borrowings were repaid as Company had clear funds available as other than Rs. 33.30 Lakhs of revenue which was yet to be realized and seen as debtors in financials the balance revenue was realized. Also, the Company earned other income amounting to Rs. 15.44 Lakhs which further increased fund balance available with the Company.

There was also reduction in Trade Payables by Rs. 139.19 Lakhs which came to be at Rs. 130.37 in the fiscal year ended 31 March, 2024 from Rs. 269.56 Lakhs in the fiscal year ended 31 March, 2023. The trade payables were repaid as Company had clear funds available.

During the said year the Loans increased by Rs 37.77 Lakhs to Rs. 253.72 Lakhs in fiscal year ended 31 March, 2024 from 215.95 lakhs in fiscal year ended 31 March, 2023. These were loans extended to Digvijay Shradha Infrastructure Private Limited, a material subsidiary of the Company.

Therefore, increase in Other Current Asset along with repayment of Short-Term Borrowings & Trade payable, majorly led to increased Working Capital requirement of the Company.

Details for increase in working capital requirement of the Company for stub period and estimated period

During the stub period and estimated period, the Company's overall fund requirement has increased. The factors leading to this increased requirement are as follows:

For the stub Period –the Loans have increased by 750.45 lakhs which is an increase of 295.77% to Rs 1004.18 Lakhs in the stub period from 253.72 lakhs in the fiscal year ended 31 March 2024, Short term Borrowings have reduced by 437.30 lakhs which is decrease of 16.20% to Rs 2260.90 Lakhs in the stub period from Rs 2698.20 Lakhs for the fiscal year ended 31 March 2024, Other Financial Liabilities have increased by 150.98 lakhs which is an increase of 1679.42% to Rs 159.97 in the stub period from Rs 8.99 Lakhs for the fiscal year ended 31 March 2024 the Trade receivables have increased by Rs. 156.39 Lakhs which is a increase of 469.64% to Rs. 189.69 Lakhs in stub period from Rs. 33.30 Lakhs in the fiscal year ended 31 March, 2024 and during the same period Inventory has decreased by Rs 1,041.099 Lakhs to Rs. 3,802.12 Lakhs for the Stub Period from Rs. 4,843.21 in fiscal year ended 31 March, 2024. The inventory has reduced due to completion of construction activity leading to reduction of 21.50% during the stub period. Therefore, the combined effect of all these items has led to net increase in working capital requirement in the Stub Period.

For estimated period – There is an Increase in Inventory by Rs. 1020.92 Lakhs in estimated period as compared to fiscal year ended 31 March, 2024. There is an increase in Trade Receivables by Rs. 1146.93 Lakhs in estimated period as compared to fiscal year ended 31

March, 2024 as Company is expecting that certain invoices will get cleared post the financial year end of estimated period. There will also be repayment of short-term borrowing of Rs. 811.06 Lakhs in estimated period as compared to fiscal year ended 31 March, 2024.

These factors have led to an increase in fund requirement by the Company as increased Inventory, Trade Receivables and repayment of Short-Term Borrowings has led to more funds (as compared to FY 2023-24) being tied up thereby increasing the Working Capital requirement in Estimated Period.

Details for increase in working capital ratio for last three financial years, stub period.

Particulars	FY 22	FY 23	FY 24	30-Sep-24
Net Working Capital	935.78	1,677.63	2,216.09	2,375.31
Revenue from Operations	110.08	8,349.21	5,885.86	2,122.52
Working capital ratio*	8.50	0.20	0.38	1.12

**Working capital ratio is calculated by dividing Net Working capital upon Revenue from Operations.*

Based on the above working there is no increase in working capital ratio if seen year on year in the 2 full Financial Year. There is a decline in the Working Capital Ratio from FY 2021-22 to FY 2022-23.

It can also be observed from the working, that from FY 2021-22 to FY 2022-23 there is a decline in Working Capital Ratio. Reason for same is as follows:

FY 2021-22 – The revenue in FY 2021-22 was lower as the Construction of Commercial Project segment was under construction and hence very little revenue was realized. At the same time due to ongoing construction activity, the requirement of working capital was high leading increased Working Capital Ratio.

FY 2022-23 – As observed from the table above, there is a decline in the working capital ratio in FY 2022-23 as the revenue from sale of Construction of Commercial Project was realized leading to increased revenue and thereby reducing the working capital ratio.

FY 2023-24 – As observed from the table above, there is a decrease in revenue realized whereas the working capital requirement increased thereby increasing the working capital ratio.

Also, in the FY 2023-24 there is a increase in working capital requirement as the Loans increased by Rs 37.77 Lakhs to Rs. 253.72 Lakhs in fiscal year ended 31 March, 2024 from 215.95 lakhs in fiscal year ended 31 March, 2023. These were loans extended to Digvijay Shradha Infrastructure Private Limited, a material subsidiary of the Company. During the said year the Other Current Assets went up by Rs. 6.40 Lakhs to Rs. 7.98 Lakhs in FY 2023-24 from Rs. 1.58 Lakhs in FY 2022-23. This increase was majorly due to advance given to creditors for business purpose. During the said year the Trade Receivables went down by Rs. 7.91 Lakhs to Rs. 33.30 Lakhs in FY 2023-24 from Rs. 41.21 Lakhs in FY 2022-23. This was due to money being realised from them partially. Apart from this, the Company repaid Short-Term Borrowings of Rs. 3409.13 Lakhs in the fiscal year ended 31 March, 2024. The short-term borrowings were repaid as Company had clear funds available as other than Rs. 33.30 Lakhs of revenue which was yet to be realized and seen as debtors in financials the balance revenue was realized. Also, the Company earned other income amounting to Rs. 15.44 Lakhs which further increased fund balance available with the Company. There was also reduction in Trade Payables by Rs. 139.19 Lakhs which came to be at Rs. 130.37 in the fiscal year ended 31 March, 2024 from Rs. 269.56 Lakhs in the fiscal year ended 31 March, 2023. The trade payables were repaid as Company had clear funds available. Therefore, increase in Loans to Subsidiary, Increase in Other Current Asset along with repayment of Short-Term Borrowings & Trade payable, majorly led to increased Working Capital requirement of the Company. Due to these reasons the working capital ratio has also gone up.

Basis of Estimation, assumptions and justification of working capital requirements

Our Company proposes to utilize Rs. **3,898.04** lakhs of the Net Proceeds for our working capital requirements. The amount will be utilized during Fiscal year 2024-2025 towards our Company's working capital requirements. The incremental and proposed working capital requirements, as approved by the Board and key assumptions with respect to the determination of the same are mentioned below.

The estimates of the working capital requirements have been prepared based on the management estimates of future financial performance. The projection has been prepared using a set of assumptions that include assumptions about future events and management's actions that are not necessarily expected to occur.

The working Capital Assumptions of the Company are based on the estimated working capital requirement of the Company majorly towards the Water Supply System Projects (Company focus on providing potable water through treatment process and distributing it to urban & rural areas. Active source water from pond, lakes, and reservoirs, which is conveyed through pipelines to the water treatment plant. At the plant, treatment processes like aeration, settling, filtration, and chlorination, takes place. Thereafter, the treated water is supplied through pipelines to ground water sump/overhead tanks for further distribution to households.) which has been approved by the members. The company being an infrastructure Company and majority revenue being tied to government approvals, the inventory and trade receivable holding days are always high. This has been factored in while estimating the working capital requirements.

On the basis of existing and estimated working capital requirement of our Company on standalone basis, and assumptions for such working capital requirements. The proposed funding of such working capital requirements as set forth below:

Assumptions for working capital requirement (standalone basis)

(Rs. in Lakhs)

Particulars	Estimated Working Capital Requirement Financial year 2024-25
<u>Current Assets</u>	
Inventories	5,864.13
Trade Receivables	1,180.23
Loans	264.22
Other Financial Assets	-
Current Tax Assets (Net)	1.30
Other Current Assets	32.66
<u>Total (I)</u>	7,342.55
<u>Current Liabilities</u>	
Short Term Borrowings	1,887.14
Trade Payables	346.26
Other Financial Liabilities	65.77
Other Current Liabilities	4.05
Current tax Liabilities (net)	427.05
<u>Total (II)</u>	2,730.27
Net Working Capital (I) – (II)	4612.28
Sources of funds:	
Part of the Net proceeds to be utilized	3898.04
Own Funds	714.24

*Based on certificate by Statutory Auditor, V S Jakhotiya & Co, Chartered Accountants vide its certificate Dated February 3, 2025.

Assumptions for Holding Levels

(In Months)

Particulars	Holding level as on				Projected March 31, 2025
	March 31, 2022	March 31, 2023	March 31, 2024	September 30,2024	
Current Assets					
Inventories	1532.86*	13.53	12.01	28.25	11.10
Trade Receivables	0	0.06	0.07	1.07	1.84
Current Liabilities					
Trade Payables	65.50**	0.46	0.32	1.22	0.66

(In Days)

Particulars	Holding level as on				Projected March 31, 2025
	March 31, 2022	March 31, 2023	March 31, 2024	September 30, 2024	
Current Assets					
Inventories	46624.39*	411.64	365.41	859.31	337.57
Trade Receivables	0	1.80	2.07	32.62	55.91
Current Liabilities					
Trade Payables	1992.30**	13.95	9.84	37.11	19.93

* Inventory holding days/months are high because due to ongoing construction inventory has been created but is yet to be sold leading to high inventory and low cost of good sold.

** Trade payable holding days/months are high because inventory has been created but yet to be sold leading to low cost of good sold which has led to higher trade payable holding days/months ratio.

Justification for Holding Period Levels.

Particulars	Details
Inventory	<p>In Fiscal 2021 -2022, 2022-2023 & 2023-2024 our average Inventory holding period was 1532.86 months, 13.53 months and 12.01 months respectively. We are estimating the Inventory holding period at level of 11.10 months in the fiscal 2024-2025. This can be attributed to liquidation of inventory under our “Construction of Commercial Project” segment and our increased operations under “Infrastructure” segment having a relatively lower holding period.</p> <p>High inventory holding days is due to peculiar the nature of the business. The business does not have a fast inventory conversion cycle as inventory predominantly are roads work, water supply systems work and commercial space (previous FY) all of which take a significant amount of time and government approvals before they can be invoiced and accounted as revenue. This leads to a higher gestation period leading to high inventory holding days.</p>
Trade Receivables	In Fiscal 2022-2023, 2023-2024 our average Debtor holding period was 0.06 months and 0.07 months respectively. We are estimating trade receivable holding period of 1.84 months for the fiscal 2024- 2025 as per our projected financials and market conditions.
Trade Payables	In Fiscal 2021 -2022, 2022-2023 and 2023-2024 our trade payables were 65.50 months, 0.46 months and 0.32 months respectively, we are estimating trade payables holding period 0.66 months for the fiscal 2024-2025 as per our projected financials as the trade payable months are expected to stabilise under the Water Supply System service under our ‘Infrastructure’ Segment due to the nature of the business.

Justification for Holding Period Levels

Apart from the above there are Other Working Capital Requirements such as Loans, Other Current Assets, Other Financial Assets, Current Tax Assets (Net), Short Term Borrowings, Other Financial Liabilities, Other Current Liabilities and Current tax Liabilities (net).

Particulars	Details
Loans	Loan amounts to Rs 264.22 Lakhs, and refers to loans extended to other parties. These loans are provided for business purpose to corporates in normal course of business.
Other Current Assets	Short term Loan amounts to Rs 32.66 Lakhs, it mainly includes advance to creditors, Prepaid Expenses, Rent Receivable, and Advance against Expenses. Other Current Assets are estimated based on previous year outstanding amount and for expected Business requirement of company.

Current Tax Assets (Net)	Current Tax Assets (Net) amounts to Rs 1.30 lakhs and it mainly includes Income Tax Refund Receivable of earlier year. Current Tax Assets are estimated based on previous year outstanding amount and for expected Business requirement of company.
Short Term Borrowings	Short Term Borrowings amounts Rs. 1887.14 lakhs, it mainly includes Bank Overdraft, Intercompany loans, Loan from Body Corporates, Related Party, Individual, and Holding Company. These are loans repayable on demand and are estimated based on previous year outstanding amount and for expected Business requirement of company.
Other Financial Liabilities	Other Financial Liabilities amounts to Rs. 65.77 lakhs, it mainly includes Expense Payables, Interest Expense Payable, Salary Payable, Professional Fees Payable and Audit Fees Payable. Other Financial Liabilities are estimated based on previous year outstanding amount and for expected Business requirement of company.
Other Current Liabilities	Other Current Liabilities amounts to Rs. 4.05 Lakhs, it mainly includes Statutory Dues Payable, Expense Payable and Revenue received in advance (Advance from Customers). Other Current Liabilities are estimated based on previous year outstanding amount and for expected Business requirement of company.
Current tax Liabilities (net)	Current tax Liabilities (net) amounts to Rs 427.05 Lakhs, it mainly includes Income Tax Liability for Current Period and for Previous period along with Advance Tax and Tax Deducted at source. Current Tax Liabilities are estimated based on expected business growth of the Company.

2. Repayment/ Prepayment of Certain Borrowings availed by our Company and Margin Money for obtaining Bank Guarantee

Our Company has entered into various borrowing arrangements with banks and financial institutions. Also, as per the business needs of the Company, margin money is required for the purpose of obtaining bank guarantees by the Company.

Our Company intends to utilize Rs. 1672.34 lakhs of the Net Proceeds towards repayment or prepayment of all or a portion of the principal amount and the accrued interest thereon in case of certain loans availed and towards margin money for obtaining bank guarantees. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to Allotment. Also, our Company may avail additional loan facilities or draw down on its working capital facilities from time to time to meet its business requirements. Accordingly, our Company may utilize the Net Proceeds for repayment/prepayment of any such refinanced facilities (including any prepayment fees or penalties thereon) or any additional facilities obtained by our Company.

As per our agreement with Jain Engineering Works (India) Pvt. Ltd. (“JEW”) - who has sub-contracted the Water Supply System projects to us (kindly refer chapter “Our Business” on page no. 113) - the Company has to replace the existing bank guarantee offered by JEW. In lieu, of the same the Company is in requirement of margin money to be offered to avail such Bank Guarantee (“BG”). The Company is of the view that it will be able to avail such BG on the same terms and conditions on which JEW has obtained the BG (kindly refer table below). However, the terms and conditions of such availment may vary from time to time and our Company will move forward with the best possible recourse.

However, the aggregate amount to be utilized from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any) and the margin money for obtaining the bank guarantee, in part or full, will not exceed Rs. 1672.34 lakhs. We believe these actions will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment towards business growth and expansion. Also, availment of BG will ensure that Company is able to fulfill the terms as per the sub contract agreement. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities.

Details of the loan proposed to be repaid/prepaid:

(Amount in Lakhs)

Sr. No.	Name of The Lenders/Banks	Date of Sanction	Brief Terms and Conditions*	Secured/ Unsecured	Sanctioned Amount	Purpose for which loans were Availed	Outstanding amount as on 30th September 2024	Date of Disbursement
1	Union Bank of India	August 19, 2023	Rate of Interest – 11.05% per annum Tenure – on Demand	Secured	500.00	Working Capital-CC Loan	494.90	September 30, 2023
2	Tirupati Urban Co- Operative Bank Limited	May 15, 2023	Rate of Interest – 8.75% per annum Tenure – 60 months	Secured	595.00	Commercial Vehicle Loan (Eicher Tipper & Transit Mixer)	191.42	May 18, 2023
3	Wardhaman Urban Co- Operative Bank Limited	May 12, 2023	Rate of Interest - 8.5% per annum Tenure – 60 months	Secured	400.00	Commercial Vehicle Loan (Eicher Tippers & Mahindra Bolero Maxx)	370.01	May 12, 2023
Total							1056.33	

**There are no penalties for pre-payment of loan.*

Further we have also obtained a Certificate from our V S Jakhotiya & Co, Chartered Accountants vide its certificate Dated December 09, 2024, which certifies utilization of above loans for the purpose for which they were availed.

Details of Total Consolidated Borrowings:

(Amount in Lakhs)

Sr. No.	Name of Company	As on 07 th December 2024		
		Secured	Un-Secured	Total
1.	Achievers Ventures Private Limited	-	-	-
2.	Stargate Ventures LLP	-	1847.15	1847.15
3.	Solus Ventures LLP	-	-	-
4.	Active Infrastructures Limited	498.63	1866.00	2364.63
5.	Digvijay Shradha Infrastructures Private Limited	2072.95	231.25	2304.20
Total		2571.58	3944.40	6515.98

*Details of Margin money currently furnished by JEW for obtaining Bank Guarantee (BG)**

(Amount in Lakhs)					
Sr. No	Name of Project on which JEW has currently obtained the Bank Guarantee	Bank Guarantee Amount	Purpose for which JEW has currently obtained the Bank Guarantee	Margin money currently furnished by JEW for obtaining Bank Guarantee	Amount to be used from Net Proceeds
1	Niwadi - Prathvipur-II Multi Villages Rural Water Supply Scheme	490.00	Performance security in form of Bank Guarantee to be furnished to Madhya Pradesh Jal Nigam Maryadit	122.50	122.50
2	Madhya Pradesh Urban Service Improvement Project II Package 7C	506.61	Performance security in form of Bank Guarantee to be furnished to Madhya Pradesh Urban Development Company Limited	126.65	126.65
3	Madhya Pradesh Urban Service Improvement Project II Package 6J	922.80	Performance security in form of Bank Guarantee to be furnished to Madhya Pradesh Urban Development Company Limited	230.70	230.70
4	Madhya Pradesh Urban Service Improvement Project II Package 3C	450.00	Performance security in form of Bank Guarantee to be furnished to Madhya Pradesh Urban Development Company Limited	126.75	112.50(Note-1)
5	Madhya Pradesh Urban Service Improvement Project II Package 3C	94.59	Performance security in form of Bank Guarantee to be furnished to Madhya Pradesh Urban Development Company Limited	23.65	23.65
	Total	2464.00			616.00

**Based on certificate by Statutory Auditor, V S Jakhotiya & Co, Chartered Accountants vide its certificate Dated December 09, 2024*

Note 1 -The difference amount of Rs.0.1425 crores will be funded from the own funds of the Company.

We hereby confirm that BG mentioned in Sr. No 1 above will be paid/given to Madhya Pradesh Jal Nigam Maryadit by our Company & BG mentioned in Sr. No 2 to 5 above will be paid/given to Madhya Pradesh Urban Development Company Limited by our Company.

3. Capital expenditure towards purchase of construction equipments

On an ongoing basis, we invest in the procurement of capital equipments, which is utilized by us in carrying out our business, based on our order book and the future requirements estimated by our management. In relation to our projects, we propose to utilize ₹ 7,04,80,000 out of the Net Proceeds towards purchase of construction equipments. While we propose to utilize ₹ 7,04,80,000 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.

A list of such construction equipments along with details of the quotation is set forth below:

Details of Capital Equipments									
S. No	Quotation No.	Date of Quotation	Vendor Name	Item Type	Details of the Equipments	Quantity	Price as per Quotation	Total Amount	Amount to be funded from Net Proceeds from the Offer
1	THCM/ESIPL/0198	November 28,2024	Tata Hitachi	ZAXIS 23U Mini Hydraulic Excavator	Engine Rated Power: 17.7 PS Engine: YANMAR ENGINE Operating Weight: 2356 kg Bucket Capacity: 0.07 M3	2	26,80,000.00	53,60,000.00	53,60,000.00
2	THCM/ESIPL/0198	November 28,2024	Tata Hitachi	Tata Hitachi SHINRAI PRIME	Engine Rated Power: 74.3 HP Engine: KUBOTA (JAPANESE) Operating Weight: 8050 kg Bucket Capacity: .26 cum / 1.1 cum	2	33,25,00.00	66,50,000.00	66,50,000.00
3	THCM/ESIPL/0198	November 28,2024	Tata Hitachi	Rock Breaker B60 (For Shinrai)	Excavator Weight Class: 4 - 8 Ton Operating Weight: 375 kg Oil Flow: 35 - 70 lpm Operating Pressure: 100-140 bar Impact Blow Rate: 350 ~ 800 bpm Impact Blow	2	6,50,000.00	13,00,000.00	13,00,000.00

					Rate (H/Speed): 450 -1000 bpm Chisel Diameter: 75 mm Chisel Length: 780 mm				
4	0045135469	November 19,2024	Hydrotech Equipments Pvt. Ltd.	Ajax Flory 2.8 Mcube (ARGO 2800 NS E1)	Weighing Technology: Pressure Transducer / Load Cell Drum Output: 2.8 cu.m Max. Drum Rotation Speed: 21 rpm Unladen Weight: 7320 kg Bucket Capacity: 400 L Fuel Tank: 100 L Water Tank: 600 L Water Pump Capacity: 230 lpm Adblue Tank Capacity: NA Gradeability: 19° Drive: 4 Wheel Drive Tyre: 12.5 / 80 - 18 - 14 PR Vehicle Speed: 0 - 25	2	46,00,000. 00	92,00,000.00	92,00,000.00

					kmph				
					Variant: Non-Swivel				
5	45135471	November 19,2024	Hydrotech Equipments Pvt. Ltd.	Ajax Flory 4.3 Mcube (ARGO 4300 SWL E1)	Weighing Technology: Pressure Transducer / Load Cell Drum Output: 4.3 cu.m Max. Drum Rotation Speed: 20 rpm Unladen Weight: 8290 kg Bucket Capacity: 600 L Fuel Tank: 115 L Water Tank: 800 L Water Pump Capacity: 400 lpm Adblue Tank Capacity: 16L/18L Gradeability: 23° Drive: 4 Wheel Drive Tyre: 405 / 70 - 20 - 14 PR Vehicle Speed: 0 - 29 kmph Variant: Swivel	2	54,00,000.00	1,08,00,000.00	1,08,00,000.00
6	Q000317	November 19,2024	Parker Plant India Pvt.	StarBatch 160 Static 160 tph	Four (4) bin cold feed unit Dryer and	1	3,71,70,000.00	3,71,70,000.00	3,71,70,000.00

			Ltd.	Batch Productio n Asphalt Plant	burner Screening and mixing tower Primary and secondary dust collection Bitumen storage system Fuel storage tank and pipework Control house with control panel and wiring Supervisory installation and commissioni ng				
TOTAL AMOUNT								7,04,80,000.00	7,04,80,000.00

*All machinery includes GST 18%

*As certified by V S Jakhotiya & Co., Chartered Accountants, by way of their certificate dated December 09, 2024.

I. Tata Hitachi ZAXIS 23U Mini Hydraulic Excavator

Terms & condition:

1. Transit insurance will be covered by seller, while comprehensive insurance will be our responsibility.
2. TCS at 0.1% will be added to the invoice value.
3. Delivery will be made to our site in Madhya Pradesh within 10-15 days after receipt of the work order.
4. The standard warranty is 12 months or 2000 hours (whichever is earlier),
5. Extended Warranty (2nd Year): 12 Months or 2000 Hrs. (whichever is earlier).
6. Validity: Prices shall be valid for 6 Months from the date of quotation i.e. May 29, 2025.

II. Tata Hitachi SHINRAI PRIME

Terms & condition

1. RTO charges are extra at actuals (approximately ₹3,75,000) and TCS at 1% on the invoice value.
2. One-year insurance is included in Seller's scope.
3. Delivery is included up to Indore upon receipt of the delivery order or payment.
4. The standard warranty covers 12 months or 2000 hours, with an extended warranty for the second year providing the same coverage, totaling two years or 4000 hours, whichever comes first.
5. Validity: Prices shall be valid for 6 Months from the date of quotation i.e. May 29, 2025.

III. Rock Breaker B60 (For Shinrai)

1. Transit Insurance: In Seller Scope
2. Comprehensive Insurance: Inclusive
3. TCS: 0.1% Extra on invoice value
4. Delivery: At our Site, within 7-10 days after receipt of work order.
5. Warranty: 12 Months from the date of commissioning.

6. Validity: Prices shall be valid for 6 Months from the date of quotation i.e. May 29, 2025.

IV. Ajax Flory 2.8 Mcube (ARGO 2800 NS E1)

1. Transit Insurance: To be arrange and sent to seller by purchaser before the dispatch.
2. Transportation cost: To pay basis to customer's account
3. Validity: This price is valid till April 30, 2025.

V. Ajax Flory 4.3 Mcube (ARGO 4300 SWL E1)

1. Transit Insurance: To be arrange and sent to seller by purchaser before the dispatch.
2. Transportation cost: To pay basis to customer's account.
3. Validity: This price is valid till April 30, 2025

VI. StarBatch 160 Static 160 tph Batch Production Asphalt Plant

1. Delivery: 8 weeks ex-works on receipt of official order and deposit payment.
2. Warranty: The plant is guaranteed for twelve (12) months in accordance with our standard conditions of sale.
3. Insurance: Transit insurance to be arranged by the Company.
4. Validity: This price is valid till March 31, 2025

PRE IPO -PROCEEDS

There are no Pre IPO-Proceeds raised by our Company as on the date of this Draft Red Herring Prospectus (DRHP).

SECTION VI- ABOUT THE COMPANY

OUR BUSINESS

OTHER CONFIRMATIONS

There is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors.

There is no conflict of interest between the lessor of the immovable properties, (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors.

HISTORY AND CERTAIN CORPORATE MATTERS

OTHER AGREEMENTS/ ARRANGEMENTS AND CLAUSES / COVENANTS

There are no other agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision.

SECTION VII – FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Note 11: Loans

(INR Lakhs)

Particulars	As on 30th September 2024	As at 31st March, 2024	As at 31st March , 2023	As at 31st March , 2022
Note 11: Loans Unsecured Considered Good				
Loan to Related Parties	-	-	-	-
Others	874.69	55.70	-	-
Total	874.69	55.70	-	-
<i>Note: Loan has been given for business purposes.</i>				

SECTION VIII- LEGAL AND OTHER INFORMATION
GOVERNMENT AND OTHER STATUTORY APPROVALS

CERTIFICATE OF REGISTRATION UNDER SHOPS AND ESTABLISHMENTS ACT:

Sr. No.	Nature of License/Approval	Registration/ License No.	Issuing Authority	Date of Application	Date of Grant	Validity
1.	Certificate of Registration under Maharashtra Shop and Establishments (Regulations of Employment and Conditions of Service) Act, 2017	2452300319305766	Office of the Chief Facilitator, Mumbai	September 16, 2024	October 10, 2024	One Time Registration
2.	Certificate of Registration under Madhya Pradesh Shops and Establishments Act, 1958 [Note 1]	INDO240907SE003674	District Labour Office, Indore	September 09, 2024	September 24, 2024	One Time Registration

Note 1: We hereby mention that invoices are required to be generated for our Water Supply Systems project in Madhya Pradesh. To issue these invoices, GST registration is needed and to obtain GST registration Shops and Establishments license is mandatory. While our registered office is in Nagpur, we are required to obtain a Certificate of Registration under the Shops and Establishments Act based on the present project's location at Madhya Pradesh to obtain GST Registration.

OTHER REGULATORY AND STATUTORY DISCLOSURES

INSPECTIONS BY SEBI OR ANY OTHER REGULATOR

There are no prior inspections by SEBI or any other regulator as on the date of this Draft Red Herring Prospectus (DRHP)

There are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision.

ELIGIBILITY FOR THE OFFER

Our company confirms that it has positive Free Cash Flow to Equity (FCFE)* for at least 2 out of 3 financial years preceding the application as given below:

	Consolidated (Rs. In Lakhs)		
Particulars	Year 1 (2023-24)	Year 2 (2022-23)	Year 3 (2021-22)
Net Cash flow from Operations	3,188.29	6,242.43	(248.68)
Less- Purchase of Fixed Assets (net of sale proceeds of Fixed Assets)	(2,685.27)	(743.16)	(21.97)
Add- Net Total Borrowings (net of repayment)	294.77	(3,988.93)	1,517.32
Less- Interest expense x (1-T)	(3.42)	(0.43)	0.00
Free cash flow to Equity (FCFE)	794.37	1,509.91	1,246.67

*Note: The methodology for computing FCFE is available as per circular (Introduction of additional eligibility criteria for listing on NSE EMERGE) dated August 22, 2024 issued by the National Stock Exchange of India limited.

SECTION X - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION OF
ACTIVE INFRASTRUCTURES LIMITED**

We confirm that no material clause of Article of Association has been left out from disclosure having bearing on the IPO/disclosure.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government and/or the 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 statement made in this Addendum to the Draft 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 of India Act, 1992, each as Amended, or the rules made thereunder or Guidelines / Regulations issued, as the case may be. We further certify that all statements and disclosures made in this Addendum to Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- Nitesh Vinayakumar Sanklecha (Managing Director) DIN: 03532145	Sd/- Chandrakant Waman Waikar (Non-Executive, Non-Independent Director) DIN: 09533456
Sd/- Shreyas Sunil Raison (Non-Executive, non-Independent Director) DIN: 06537653	Sd/- Akshay Bharat Thakkar (Non-Executive, Independent Director) DIN: 08912202
Sd/- Asha Sampath (Chairperson and Non-Executive, Independent Director) DIN: 02160962	Sd/- Gaurav Balkrishna Sharma (Non-executive, Independent Director) DIN: 01522240

SIGNED BY THE CFO AND CS OF OUR COMPANY

Sd/- Mr. Gautam Jain (Chief Financial Officer)	Sd/- Aanchal Tembhre (Company Secretary and Compliance Officer)
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Date: February 17, 2025

Place: Nagpur