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VISION INFRA EQUIPMENT SOLUTIONS LIMITED

CIN: U77309PN2024PLC227226

Our Company was originally formed as a partnership firm in the name and style of "M/s Vision Infra" pursuant to a deed of partnership dated October 28, 2015 at Pune. Subsequently, "M/s Vision Infra" was converted from the partnership firm to a Public Limited Company under Part I of Chapter XXI of the Companies Act, 2013 in the name of "Vision Infra Equipment Solutions Limited" pursuant to a certificate of incorporation dated January 12, 2024, issued by the Registrar of Companies, Pune, Maharashtra bearing CIN: U77309PN2024PLC227226.

Registered Office: Shop No 401-405, Bhawani, International BusinessBay, Bhavani Peth, Pune, Pune City, Maharashtra, India, 411042

Contact Person: Dipali Rakesh Shah, Company Secretary & Compliance Officer

Tel No: +91 (020) - 26440999 ; **E-mail:** info@visioninfraindia.com; **Website:** www.visioninfraindia.com;

PROMOTERS OF OUR COMPANY: SACHIN VINOD GANDHI, CHETAN VINOD GANDHI AND SAMEER SANJAY GANDHI.

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED MAY 31, 2024: NOTICE TO THE INVESTORS ("THE ADDENDUM")

INITIAL PUBLIC OFFER OF UPTO 73,68,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF VISION INFRA EQUIPMENT SOLUTIONS LIMITED ("OUR COMPANY" OR "VIESL" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹[●] LAKHS("PUBLIC ISSUE") OUT OF WHICH [●]EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Potential Bidders may note the following:

1. The Chapter titled **"Summary of Draft Red Herring Prospectus"** beginning on page 20 of the Draft Red Herring Prospectus has been updated
2. The Chapter titled **"Risk Factors"** beginning on page 30 of the Draft Red Herring Prospectus has been updated
3. The Chapter titled **"Capital Structure"** beginning on page 65 of the Draft Red Herring Prospectus has been updated
4. The Chapter titled **"Objects of the Issue"** beginning on page 76 of the Draft Red Herring Prospectus has been updated
5. The Chapter titled **"Our Business"** beginning on page 102 of the Draft Red Herring Prospectus has been updated
6. The Chapter titled **"Our Management"** beginning on page 131 of the Draft Red Herring Prospectus has been updated
7. The Chapter titled **"Management's Discussion And Analysis Of Financial Conditions And Results Of Operations"** beginning on page 267 of the Draft Red Herring Prospectus has been updated
8. Please note that all other details in, and updates to the Red Herring Prospectus/ Prospectus with respect to issue price and/or other relevant details will be carried out in the Red Herring Prospectus, as and when filed with ROC, SEBI and the Stock Exchange.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their 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/ Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

On behalf of VISION INFRA EQUIPMENT SOLUTIONS LIMITED

Sd/-

Dipali Rakesh Shah,

Company Secretary and Compliance Officer

Place: Pune

Date: August 13, 2024

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
HEM SECURITIES LIMITED 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, India **Tel. No.:** +91- 022- 49060000; **Fax No.:** +91- 022- 22625991 **Email:** ib@hemsecurities.com **Investor Grievance Email:** redressal@hemsecurities.com **Website:** www.hemsecurities.com **Contact Person :** Roshni Lahoti **SEBI Regn. No.** INM000010981	**Link Intime India Private Limited** **Address:** C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India. **Telephone:** +91 8108114949 **Fax No.:** +91 22 49186195 **Email:** visioninfra.smeipo@linkintime.co.in **Investor Grievance Email:** visioninfra.smeipo@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **SEBI Registration Number:** INR000004058

BID/ISSUE PROGRAMME

ANCHOR PORTION ISSUE OPENS/ CLOSES ON: [●]*	BID/ISSUE OPENS ON: [●]**	BID/ISSUE CLOSES ON: [●]**

**The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

***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.*

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SECTION II – SUMMARY OF DRAFT RED HERRING PROSPECTUS

E. OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds of the Issue to meet the following objects:

Sr. No	Particulars	Amount# (₹ in Lakhs)
1.	Funding Capital Expenditure towards purchase of additional equipment	4309.15
2.	Funding to meet working capital requirements	3500.00
3.	General Corporate Purpose	[●]#
	Total	[●]

 # Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of securities pursuant to the Pre-IPO Placement, our Company shall utilise the proceeds from such Pre-IPO Placement towards the Objects of the Issue.

For further details please refer to the chapter titled ***"Object of the Issue"*** *beginning on page 23 of this Draft Red Herring Prospectus.*

SECTION III - RISK FACTORS

INTERNAL RISK FACTORS

1. ***Our business is capital intensive in nature. If we are unable to raise additional funds whenever required, or on terms acceptable to us, we may be required to scale down or abandon our expansion & growth plans and/or reduce capital expenditures and the size of our operations, any of which could materially and adversely affect our business, financial position and results of operations.***

We require significant amount of capital for purchasing the road construction equipment such as Soil stabilisers, Tandem Rollers, PTR, Soil Compactors, Cement Spreaders, Excavators, Transit Mixer, Milling Machine, Jaw Crusher, Concrete Paver, Asphalt Paver, Wheel Loaders, Rock Breakers, Graders, Boom Placers, Tippers, Diesel Generators etc. and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow our business and increase/maintain our future profitability. As of November 30, 2023 and March 31, 2023, 2022 and 2021 our net fixed assets towards plant and machinery were ₹16,702.26 lakhs, ₹15,839.99 lakhs, ₹9,902.30 lakhs and ₹8,251.72 lakhs, respectively. For details of fixed assets please refer ***Annexure XIV in the section titled "Financial Information of the Company- Restated Financial Statements*** on page 233 of the Draft Red Herring Prospectus". We also require funds for mobilization of resources before payment is received from clients. As a result, we may need to incur additional indebtedness in the future to meet the requirement of our capital expenditure and working capital requirements. Our ability to obtain such financing on acceptable terms is dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, levels of our existing indebtedness, future financial condition, results of operations and cash flows and other factors beyond our control. There can be no assurance that we will be able to raise additional financing on favorable terms in a timely manner or at all. If we are unable to raise additional funds whenever required, or on terms favorable/acceptable to us, we may be required to scale down or abandon our expansion & growth plans and/or reduce capital expenditures and the size of our operations, any of which could materially and adversely affect our business, financial position and results of operations. However, the company was converted from a partnership firm on January 12, 2024 and there were no instances in the past where they were unable to raise additional funds whenever required.

Our capital expenditure requirements and growth strategy require continued access to significant amounts of capital on acceptable terms, as our continuous cash flows are the source for purchase of new equipment, which is directly responsible for our business growth. We cannot assure you that market conditions and other factors will permit financing through debt or equity, on terms acceptable to us or at all. We strive to maintain strong relationships with banks to increase our financing flexibility. However, we cannot assure you that our relationships with lenders will not change or that lenders will continue lending practices we are familiar with. Our lenders may implement new credit policies, adopt new pre - qualification criteria or procedures, raise interest rates or add restrictive covenants in loan agreements, some or all of which may significantly increase our financing costs, or prevent us from obtaining financings totally. As a result, our revenue growth may reduce, and our business, financial condition and results of operations may be materially and adversely affected. All of these factors may result in an increase in the amount of our borrowings and the continued increase in capital requirements may have an adverse effect on our financial condition and results of operations.

2. ***We generate a significant percentage of our revenue from few clients. The loss of any one or more of our major clients would have a material adverse effect on our business operations and profitability.***

During the stub period ended on November 30, 2023 and Fiscal 2023, 2022 and 2021 revenue generated from our top ten customers were ₹13,296.61 lakhs, ₹29,169.51 lakhs, ₹24751.28 lakhs and ₹11292.16 lakhs which represented 67.82%, 81.07%, 84.02% and 71.39%, respectively of our revenues from operations. Our largest customer, contributed to approximately 30.13%, 63.25%, 68.31% and 20.46% of our revenue from operations respectively. We have not entered into long term agreements with these customers and the success of our business is accordingly significantly dependent on maintaining good relationship with them. The loss of a significant client or clients could have a material adverse effect on our results of operations. We cannot assure you that we will be able to maintain the historical levels of business from these clients or that we will be able to substitute the revenues lost by way of termination of work with these clients. Our dependence on these clients also exposes us to risks associated with their internal management, financial condition and creditworthiness, and major events affecting these clients such as bankruptcy, change of management, mergers and acquisitions, reduction in growth or a slow-down in the business of our clients, could adversely impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivables from that client may have to be written off, adversely impacting our results of operations and financial condition. Further, we may be exposed to payment delays and/or defaults by our customers and our financial position and financial performance are dependent on the creditworthiness of our customers. There is no guarantee that all or any of our customers will honour their outstanding amounts in time and whether they will be able to fulfil their obligations, due to any financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur from all or any of our major customer, our financial performance and our operating cash flows may be adversely affected.

3. ***The construction equipment industry is sensitive to changing economic conditions and various other factors. Any decline in demand for these equipment may adversely impact our business prospects and results of operations.***

There are several factors which affect the renting and sales of new and pre-owned road construction equipment in India which are difficult to predict, including but not limited to the state of the economy, fuel prices, credit availability, interest rates, consumer preferences, the level of personal discretionary spending, unemployment rates, vehicle production levels and capacity, auto emission and fuel economy standards, the rate of inflation, currency exchange rates, tariffs, incentives, intensity of industry competition, product quality, technological innovations, restrictions under environmental laws etc. As a result, the overall demand for our road construction equipment may decline, which could adversely affect our business. Further, the rise in demand for electric vehicles and the growth in electric vehicles segment may adversely affect the demand for such commercial vehicles sold by us. As on date of this draft red herring prospectus, most of our OEMs have not started producing electric vehicles to cater to the increasing demand for such vehicles in the market. While we have been able to achieve significant growth in our revenue and profits in the last Fiscal, we may not be able to maintain the same level of growth in the coming fiscals. Demand for certain types of pre-owned construction equipment may suddenly decline due to the introduction of innovative technologies for new equipment, such as autonomous driving systems or change in laws pertaining to carbon emission and creation of new legal norms such as ban of certain type of diesel equipment. The pre-owned equipment procured by us may not offer such innovative features or cater to the change in laws of India. There can be no assurance that our entire equipment inventory will be sold in the future.

4. ***The road construction industry is sensitive to the government infrastructure spending or regulatory changes. Any decline in government infrastructure spending may adversely impact our business prospects and results of operations.***

We derive our revenue from renting, trading and refurbishment of road construction equipment. We have gained experience of executing road construction activities like: milling, crushing and paving which are usually sub contracted to us by large and small infrastructure companies. The road construction infrastructure is funded by the Central and State Government in India. Under the Union Budget 2023- 24, the Government of India allocated Rs. 2.7 lakh crore (US$ 33 billion) to the Ministry of Road Transport and Highways. For further information, see "***Industry- Infrastructure***" on page 98 of the Draft Red Herring Prospectus. The Roads sector is expected to account for 18% capital expenditure over FY19-FY25. In FY22 (until November 2021) private sector invested Rs. 15,164 crore (US$ 1.98 billion) in roads. (Source: Ministry of External Affairs, Economic Survey-2019-20, MoRTH, News Articles.) Various government initiatives facilitate the growth of our company of this sector which in turn contribute to growth of our operations. Any reduction in the budgetary allocation or support by the Central and/or the State Governments may have a significant impact on the number of projects for which tenders may be issued by government authorities/bodies resulting in slowdown or downturn in our business prospects. Our business is indirectly and significantly dependent on projects awarded by them. In the event of any adverse change in budgetary allocations for such projects or a downturn in available work in this sector resulting from any change in government policies or priorities, our business prospects and our financial performance, may be adversely affected.

5. ***Margins earned from our rental services and refurbishment may be impacted by pricing guidelines set by our customers or by our OEMs for supply of spare parts and accessories which may adversely affect our financial condition and results of operations.***

We offer fully integrated services and refurbishment offerings. The table below indicates percentage contributions from our rental and refurbishment vertical to our total revenue during the stub period ended on November 30, 2023 and Fiscals 2023, 2022 and 2021:

Particulars	**For the six months ended November 30, 2023**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**

Rental of road construction equipment	9947.61	11752.77	7846.24	6332.63
As a % of Revenue	50.74%	32.66%	26.64%	40.03%
Trading and Refurbishment of road construction equipment	9657.04	24228.04	21611.18	9485.10
As a % of Revenue	49.26%	67.34%	73.36%	59.96%
Total	19,604.65	35,980.81	29,457.43	15,817.74

During the FY 2021, we rented out our construction equipment to approx. 65 customers which expanded to approx. 90 customers during FY 2023. During the FY 2021 we refurbished and/or sold more than 200 equipment which expanded to more than 600 equipment during FY 2023 and as on November 30, 2023 we have refurbished and sold out around 270road construction equipment

Pursuant to the terms of our arrangements with our customers we are entitled to determine the prices for our rental services. Furthermore, we procure spare parts required in refurbishment of pre-owned equipment from the OEM suppliers. The OEMs are entitled to change the prices, or the discounts offered thereon, without prior notice and without incurring any liability towards us. Margins earned from our services and refurbishment vertical may be impacted by the ability of our customers and OEMs to periodically revise rates to be charged by for the services done by us or the spare parts sold to us.

6. ***The Pro Forma Financial Information included in this Draft Red Herring Prospectus is not indicative of our expected results or operations in the future periods or our future financial position or a substitute for our past results.***

The company acquired the partnership firm "M/s Equipment Hub" with effect from March 21, 2024 and therefore the Pro Forma Financial Information for the Fiscal 2023 and stub period ended on November 30, 2023 has been included in this Draft Red Herring Prospectus. It illustrates the impact of acquisition made by company and its financial performance for the year ended March 31, 2023 and stub period ended on November 30, 2023 as if the acquisition had taken place at the beginning of the earliest reported year presented. For further details, see "History and Certain Corporate Matters -Details regarding material acquisitions or divestments of business/ undertakings, mergers amalgamations or any revaluation of assets, in the last ten years" and "***Pro Forma Financial Information***" on page 254.

The Proforma Financial Information has been prepared by our Statutory Auditor. It addresses a hypothetical situation and does not represent our actual financial condition or results of operations and is not intended to be indicative of our future financial condition and results of operations. The adjustments set forth in the Pro Forma Financial Information are based on available information and assumptions that our management believes to be reasonable. As the Proforma Financial Information is prepared for illustrative purposes only, it is, by its nature, subject to change and may not give an accurate picture of the actual financial results that would have occurred had such transactions by us been effected on the dates they are assumed to have been effected, and is not intended to be indicative of our future financial performance. The Proforma Financial Information does not include all of the information required for financial statements under India GAAP. Accordingly, investors should not unduly rely on our Proforma Financial Information. If the various assumptions underlying the preparation of the Proforma Financial Information do not come to pass, our actual results could be materially different from those indicated in the Proforma Financial Information. Accordingly, the Proforma Financial Information included in this Draft Red Herring Prospectus is not intended to be indicative of expected results or operations in the future periods or the future financial position of our Company or a substitute for our past results, and the degree of reliance placed by investors on our Proforma Financial Information should be limited.

7. ***Our Company is dependent on limited number of suppliers. Any delay or failure on the part of such suppliers to deliver equipment at acceptable prices, may adversely affect our business, profitability and reputation.***

We are an equipment outsourcing company, engaged in providing road construction equipment for sale and on a rental basis. We do not manufacture any of the road construction equipment that we sell or provide on rental basis. We rely on the limited number of OEMs and suppliers for purchasing this equipment. Our purchases from our top ten suppliers during the stub period ended on November 30, 2023 and Fiscal 2023, 2022 and 2021 are Rs 5,805.35 lakhs, Rs 10,216.77 lakhs, Rs 12,147.87 lakhs and Rs 6080.15 lakhs respectively.

Our reliance on a limited number of suppliers for our business exposes us to risks, that may include, but are not limited to, reductions, delay or failure on the part of our suppliers to deliver such equipment in a timely manner, deterioration in the financial condition or business prospects of these suppliers, failure to negotiate favourable terms with our key suppliers, all of which could have a material adverse effect on the business, financial condition, results of operations and future prospects of our Company.

We do not have any long-term supply contracts with our suppliers. We generally make our purchases with suppliers through purchase orders. Thus, our suppliers may be unable to provide us with sufficient quantity of equipment, at prices acceptable to us. Further, any unexpected rise in the prices of the equipment or shortage in supply or any adverse change in terms and conditions of supply would result in increase of our procurement cost. In case we are not able to pass on any such increase in cost to the clients because of competition or otherwise, it may affect the profitability of the Company.

We may not be able to renegotiate our pricing or delivery terms on a reasonable basis or find suitable alternative suppliers in the future, which may affect our business, financial condition, cash flows and results of operations. If we are required to identify alternative third parties for any of our required equipment, the process of qualification and approval could cause delays in providing services to clients. Any extended interruption in the supply of equipment could disrupt our operations and can have a material adverse effect on our business, results of operations or financial condition. Although we believe we have maintained stable relationships with these suppliers in the past, we cannot assure you that, we will be able to source adequate quantities of equipment in a timely manner from our existing suppliers in the future or we will be able to find alternative suppliers at acceptable prices and quality levels or at all. Our inability to do so may adversely affect our reputation, business, results of operations and cash flows.

8. We are subject to the significant influence of, and restrictions imposed by our OEMs that may adversely impact our business, results of operations, financial condition and prospects.

We have large no. of fleet of construction equipment from major OEM's like Wirtgen, Case, Luigong, Dynapac, Komatsu, Atlas Copco, Ashok Leyland, Bharat Benz, Eicher Motors, Volvo, Terex Power Screen, Caterpillar, Metro, BOMAG etc. We have not entered into any long term agreement with these OEMs in the ordinary course of our business. However, the OEMs are able to exert influence over the day-to-day operations of our company. For instance, the OEMs may unilaterally discontinue associations with us where we might have entered into long term contracts and made advance payments to them for their continued association. The OEMs may also require us to prescribe the minimum requirements and specifications from time to time which may require significant capital expenditure from time to time. We are also required to adhere to certain service and customer satisfaction levels prescribed by the OEMs in operating these equipment and our failure to do so may lead to the disassociation with such OEMs.

The terms and conditions as Imposed in the OEMs' interests and objectives may, in certain circumstances, conflict with our interests and objectives. Our OEMs' also have the right to terminate their business with us upon breach of any of the terms and conditions by us and can unilaterally change the price of their equipment being sold which may require additional capital expenditure on our part. Further, any reduction in margins or capping of service fees by the OEMs may impact our revenues and profitability. The significant influence of and restrictions imposed by OEMs could impact our business financial condition, results of operations, cash flows, and prospects.

9. We derive a significant portion of our revenue from trading and refurbishment activities, for which we have to rely on third parties.

We derive a significant portion of our revenue from trading and refurbishment activities. For the stub period ended on November 30, 2023 and financial years 2023, 2022 and 2021, ₹9657.04 lakhs, ₹24228.04 lakhs, ₹21611.18 lakhs and ₹9485.10 lakhs, or 49.26%, 67.34%, 73.36% and 59.96% of our revenue from operations were derived from trading and refurbishment activities. For further information, see "***Annexure XXII Details of revenue from operations***" as restated on page 237 of the Draft Red Herring Prospectus. During the aforementioned financial years/period, we've traded and refurbished multiple type of construction equipment. Our reliance on the external vendors for procurement of such equipment, exposes us to risks, that may include, but are not limited to, reductions, delay or failure on the part of our suppliers to deliver the equipment in a timely manner, quality issues and clear title of the equipment as we do not have control over the equipment, failure to negotiate favorable terms with the vendors, vendors changing their sales strategy or shifting focus to some other channel which could have a material adverse effect on the business, financial condition, results of operations and future prospects of our Company.

10. Changes in technology render our current fleet of equipment obsolete and require us to make substantial capital investments.

Our fleet of equipment for road construction activities are subject to continuous change and development. Our inventory of existing equipment becomes obsolete on introduction of newer and better technologies. We must continuously update our existing equipment in order to meet our clients' requirements and remain competitive in the market. In addition, rapid and frequent technological and market demand changes often render our equipment obsolete and result in requirements for additional and substantial capital expenditures and/ or significant write downs of our assets. The cost of upgrading our existing equipment could be significant. Our inability to successfully adopt new technologies in a cost effective and a timely manner could increase our costs and adversely affect our competitive position in terms of pricing or quality of service. Further, if we fail to anticipate or respond adequately to our clients' changing requirements or keep pace with the latest technological developments, our business, prospects, financial condition and results of operations may be materially and adversely affected

11. ***We may fail to successfully implement our growth strategy, which includes acquiring existing orders for rental business, diversifying our portfolio and penetrating deeper into existing geographic locations which may adversely affect our financial condition and results of operations***

In order to continuously grow our operations, we need to increase our penetration by partnering with new OEMs for additional fleet of equipment, expand our existing order book to attract larger rental orders etc, expansion of exports of refurbished equipment. Our ability to partner with different brands of OEMs may also depend on certain additional factors such as overall product mix, customer preferences, brand value etc. Further, we may also face additional risks encountered with growth. These risks include, without limitation:

- ailing to assimilate the operations and personnel;
- failing to achieve predicted sales levels;
- incurring significantly higher capital expenditures and operating expenses, which could substantially limit our operating or financial flexibility;
- entering new, unfamiliar markets;
- disrupting our ongoing business;
- diverting our management resources;
- failing to maintain uniform standards, controls and policies;
- impairing relationships with employees, OEMs and customers;

12. ***Our operations are subject to various governmental laws and regulations and certain state specific notifications and guidelines. If we are found to be in violation of or subject to liabilities under any of these laws or regulations, or if new laws or regulations are enacted that adversely affect our operations, our business, operating results, and prospects could suffer*.**

Our operations are subject to certain state specific guidelines and notifications pertaining to display of number plates, road transport office rules and various other laws and regulations, including those relating to new and pre-owned equipment sales, finance and insurance, consumer protection, consumer privacy, environment, equipment emissions and fuel economy, health and safety, and employment practices. For details, see ***"Key Regulations and Policies"*** on page 116. We currently devote significant resources to comply with applicable laws and regulations and we may need to spend additional time, effort, and money to keep our operations and existing or acquired facilities in compliance therewith. Further, the approvals that we obtain may stipulate certain conditions requiring our compliance. If we fail to abide by the conditions mentioned in our existing approvals or fail to obtain any of the approvals or licenses required for our operations, or renewals thereof, in a timely manner, or non-compliance with applicable laws and regulations could result in imposition of fines and penalties which could adversely impact our business, results of operations, financial condition, cash flow, and prospects. For further details, please see the section entitled ***"Government and Other Approvals"*** on page 283. Further, our business is subject to government-mandated fuel economy which continue to change and become more stringent over time. New vehicles in India are currently required to be Bharat Emission Stage VI compliant. These and other laws and regulations could materially adversely affect, the ability of our company to deliver its services at affordable prices, which could materially adversely impact our business, results of operations, financial condition, cash flow, and prospects.

13. ***The agreements governing our indebtedness contain certain restrictive covenants which could adversely affect our financial condition and results of operations.***

As of November 30, 2023 our indebtedness aggregated to ₹20,743.28 lakhs including fund based and non-fund based facilities. We have entered into agreements for short-term and long-term equipment loans, working capital facilities and other borrowings.

As of November 30, 2023 our unsecured loan from Promoter and promoter group accounted for Rs. 3088.85 lakhs which constituted 14.95% of the total indebtedness. Some of these agreements contain requirements to maintain certain security margins, financial ratios and contain restrictive covenants relating to issuance of new shares, changes in capital structure, making material changes to constitutional documents, implementing any expansion scheme, incurring further indebtedness, encumbrances on or disposal of assets, paying dividends and making investments over certain thresholds. For further details, see ***"Statement of Financial Indebtedness"*** on page 264. Furthermore, some of our financing arrangements specify that upon the occurrence of an event of default, the lender shall have the right to, inter alia, cancel the outstanding facilities available for drawdown, declare the loan to be immediately due and payable with accrued interest, impose a penal interest on the principal amount and enforce rights over the security created. There can be no assurance that we will be able to comply with these financial or other covenants. Our lenders also have the ability to recall or accelerate all or part of the amounts owed by us, subject to the terms of the financing arrangement. Such recalls may be contingent on happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls. There can be no assurance that we will be able to repay our loans in full, or at all, at the receipt of a recall notice, or otherwise. Our inability to comply with the conditions prescribed under the financing arrangements, or repay the loans as per the repayment schedule, may have an adverse impact on our credit rating, business operations and future financial performance. Further, if we are unable to service our existing debt, our ability to raise debt in the future will be adversely affected, which will have a significant adverse effect on our results of operations, financial condition and our business. However, there were no instances in the past where we defaulted the repayment of loan.

14. Our success depends upon our ability to attract, develop and retain trained manpower while also maintaining low labour costs.

Modern equipment are increasingly complex and require specially trained technicians to perform certain services. To meet the needs and expectations of our customers, we must attract, train and retain a number of qualified service technicians, while maintaining low labour costs. While we undertake in-house training for employees, we cannot assure you that we will be able to retain these specially skilled personnel. Further, in case of any disputes with the employees in connection with tasks performed by them in the course of their employment, may have an adverse impact on the business operations and financial collections. However, there can be no assurance that there will not be any future disruptions in our operations due to any disputes with our employees or that such disputes will not adversely affect our business and results of operations. We will need to continue to recruit, train and retain a greater number of sales representatives and trained manpower, including service labour like technicians and service staff, at various levels. Our ability to maintain low labour costs is subject to numerous external factors, including prevailing wage rates, as well as the impact of legislation or regulations governing labour relations and minimum wages. An inability to provide wages and/or benefits that are competitive within the markets in which we operate could adversely affect our ability to retain and attract qualified personnel, which in turn may affect our business, prospects and financial condition. However, there were no instances in the past where we were not able to hire trained manpower and had faced the situation of understaffing.

15. Our plan relating to establishment of our new refurbishment unit is subject to the risk of unanticipated delays in implementation and cost overruns.

We intend to establish our new refurbishment unit at Gat No 185 and 186, Ambi, Taluka - Maval District- Pune, Maharashtra 410507 for which we have already executed the leave and license agreement for a period of 5 years. Our plan remains subject to the potential problems and uncertainties including cost overruns or delays. Problems that could adversely affect our plans include labour shortages, the possibility of unanticipated future regulatory restrictions, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin and other external factors which may not be within the control of our management. There can be no assurance that the proposed set up of our new refurbishment unit will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may be insufficient to meet our requirements. If our actual expenditures significantly exceed our budgets, we may not be able to achieve the intended economic benefits, which in turn may materially and adversely affect operations of our Company. There can be no assurance that we will be able to complete the set up in accordance with the proposed schedule of implementation and any delay could have an adverse impact on the operations of our Company.

16. Our business is subject to seasonality, which may contribute to fluctuations in our results of operations and financial condition.

Renting of road construction equipment is subject to seasonality as the road construction activities are affected at the time of monsoon. We typically see a dip in sales during the second quarter of each financial year. Our sales are considerably higher during the third and fourth quarter of the year due to favorable weather conditions and impact of festive seasons. Accordingly, our quarterly results of operations may not accurately reflect the trends for the entire financial year and may not be comparable with our results of operations for other quarters.

17. ***We may be unable to detect, deter and prevent instances of theft, breakage or damage of our equipment stationed at the client location, which may have a material adverse effect on our business, results of operations and financial conditions***

As we operate in the rental industry, we are usually prone to risk relating to theft, breakage or damage of the rented equipment or any of its parts, stationed at the client location, which can be difficult to detect, deter and prevent, and could subject us to financial losses and impact our business and financial conditions. We cannot assure that we may be able to recover the replacement cost or reimbursement of repair expenses from our customers, if any, against the breakage or damage or theft of equipment, which may have a material adverse effect on our business, results of operations and financial condition. Also, in addition, the agreements/arrangements which we enter with our clients does not contain any clause relating to security deposit and as such we do not possess any security deposit amount against the equipment supplied to the customers, which exposes us to risk relating to non-recovery of any unpaid dues from the clients (in case of any dispute) or damage of supplied equipment. Although, we assess the credibility of the customers prior to the rental transaction, still we cannot assure that there would not be any instance of fraudulent behavior of the customers. The occurrence of any such incident relating to theft or breakage or damage of our equipment at client location or misconduct committed by customers against our interests, may have a material adverse effect on our business, results of operations and financial condition. Any of the foregoing could disrupt our services, cause us to incur cost of legal proceedings against customers for recovery of losses and divert the time and attention of our management. However, in the past, there were no occurrences of theft, breakage, or damage to our equipment stationed at the client location that could have had a detrimental impact on our business, operational results, and financial condition.

18. ***Our business operations are majorly concentrated in certain geographical regions and any adverse developments affecting our operations in these regions could have a significant impact on our revenue and results of operations.***

We generate major revenue through our customers from the state of Maharashtra, Uttar Pradesh, Odisha and Others. During the stub period ended on November 30, 2023 and in the FY 2023, FY 2022 and FY 2021 our revenue from top 10 states accounted for 77.77%, 92.03%, 78.08% and 50.01% of our revenue from operations. Such geographical concentration of our business in these region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region, which may adversely affect our business prospects, financial conditions and results of operations.

Below are the details of the state wise revenue breakup from top 10 states as on November 30, 2023.

(Rs. In Lakhs)

State Name	**For The Period ended on 30th November 2023**	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
Maharashtra	8596.43	27290.90	20830.90	6413.97
Uttar Pradesh	2082.86	1979.15	26.19	17.75
Odisha	1148.65	251.32	85.37	67.10
Telangana	868.29	595.24	356.54	96.29
Karnataka	597.44	810.43	411.99	210.34
Chhattisgarh	528.76	216.02	12.15	37.88
Gujarat	373.76	540.94	705.36	207.13
Rajasthan	365.17	587.46	356.52	804.08
Assam	346.83	0.00	0.00	0.00
West Bengal	337.61	841.49	216.08	56.33
Total from top 10 States	**15245.8**	**33112.95**	**23001.1**	**7910.87**
Total Revenue from Operations	**19604.65**	**35980.81**	**29457.43**	**15817.74**
% of Revenue from top 10 States	*77.77%*	*92.03%*	*78.08%*	*50.01%*

Further, as we enter into new markets and geographical areas, we are likely to compete with not only national players, but also the local players, who might have an established local presence, and are more familiar with local business practices and have stronger relationships with local customers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

19. Our business is working capital intensive. If we experience insufficient cash flows to meet required payments on our working capital requirements, there may be an adverse effect on the results of our operations.

We require a significant amount towards working capital requirements which is based on certain assumptions, and accordingly, any change of such assumptions would result in changes to our working capital requirements. A significant amount of working capital is required to finance the purchase of equipment, stores and spares, mobilization of resources and other work on road construction activities as service provider, before payment is received from clients. As a result, we will continue to avail debt in the future to satisfy our working capital requirements. Our working capital requirements may increase if we undertake larger or additional projects or if payment terms do not include advance payments or such contracts have payment schedules that shift payments toward the end of a project or otherwise increase our working capital burden.

The working capital requirement involves providing of bank guarantees and security deposit for some of the work orders awarded to our Company for which cash margin has to be provided. Apart from that the clients retain certain percentage of the contract value after the completion of the project as retention money. However, we cannot assure you that our relationships with lenders will not change or that lenders will continue lending practices we are familiar with. Our lenders may implement new credit policies, adopt new pre-qualification criteria or procedures, raise interest rates or add restrictive covenants in loan agreements, some or all of which may significantly increase our financing costs, or prevent us from obtaining financings totally. As a result, our business, financial condition and results of operations may be materially and adversely affected.

In general, a large part of our working capital is also blocked in inventories and trade receivables from our clients, including those arising from progress payments or release of retention money. The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand / potential orders and supply requirements and purchase new inventory accordingly. However, if we misjudge expected customer demand / potential orders, it could cause either a shortage or an accumulation of excess inventory. During the stub period ended on November 30, 2023 and FY 2022-23, FY 2021-22 and FY 2020-21, our inventories were ₹2,442.69 lakhs, ₹992.53 lakhs, ₹1,741.84 lakhs and ₹648.06 lakhs. For further information, see "***Annexure XVII- Details of Inventories as restated***" on page 236 of the Draft Red Herring Prospectus.

To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if we fail to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. During the stub period ended on November 30, 2023 and FY 2022-23, FY 2021-22 and FY 2020-21, our trade receivables were ₹5,975.39 lakhs, ₹4,439.92 lakhs, ₹4,431.88 lakhs and ₹2,788.70 lakhs. For further information, see "***Annexure XVIII- Details of trade receivables as restated***" on page 236 of the Draft Red Herring Prospectus. There can be no assurance that the progress payments and the retention money will be remitted by our clients to us on a timely basis or that we will be able to efficiently manage the level of bad debt arising from such payment practice. All of these factors may result in an increase in the amount of our receivables and short-term borrowings and the continued increase in working capital requirements may have an adverse effect on our financial condition and results of operations.

20. We derive a certain portion of our income from profit on sale of fixed assets.

Our portfolio of services includes renting of road construction equipment. Our business of renting of road construction equipment is executed in two rental modes based on: (i) "time-based pricing" and (ii) "output-based pricing". We focus on equipment lifecycle management where we acquire a new machinery or equipment, utilize it for a set period (typically two to three years), and then dispose of or replace it with newer equipment. This approach has helped us to derive income from sale of fixed assets. For the stub period ended on November 30, 2023 and Fiscal 2023, 2022 and 2021 our income from profit on sale of fixed assets accounted for Rs. 1053.28 lakhs, Rs. 888.60 lakhs, Rs. 926.53 lakhs and Rs. 380.15 lakhs. For further information, see "***Annexure XXIII- Details of other income as restated***." Any reduction in such income or our inability to dispose the used equipment on profitable terms may affect our cash flows and financial position.

21. ***Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations.***

Our Order Book as of December 31, 2023 has been calculated on the basis of the aggregate value of work orders for some of our ongoing projects as of such date reduced by the value of work executed by us until such date, and estimated value of work orders awarded to us. For the purposes of calculating the Order Book value, we do not take into account any escalation or change in work scope of our ongoing projects as of the relevant date. The manner in which we calculate and present our Order Book is therefore not comparable to the manner in which our revenue from operations is accounted, which takes into account revenue from work relating to escalation or changes in scope of work of our work orders. The manner in which we calculate and present our Order Book information may vary from the manner in which such information is calculated and presented by other companies. The Order Book information included in this Draft Red Herring Prospectus is not audited and does not necessarily indicate our future earnings. Our Order Book should not be considered as a substitute for performance measures. As of December 31, 2023 our Order Book includes (i) 12 work orders under Crushing Services aggregating to Rs. 5568.50 Lakhs (ii) 18 work orders under Milling services aggregating to Rs. 1611.51 Lakhs. These orders are spread across 11 states in India. We may not be able to achieve our expected margins or may even suffer losses on one or more of these contracts or we may not be able to realize the revenues which we anticipated in such work orders. In addition, there can be no assurance that we will be awarded the projects that we currently expect.

We may encounter problems in execution as ordered, or executing it on a timely basis. Moreover, factors beyond our control may postpone a project or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions, and other types of difficulties or obstructions. Delays in the completion of an order can lead to clients delaying or refusing to pay the amount, in part or full. These payments often represent an important portion of the margin we expect to earn on a project. In addition, even where a project proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to our Order Book or any other uncompleted projects, or disputes with clients in respect of any of the foregoing, could materially harm our cash flow position, revenues and earnings.

22. ***Increase in the prices of raw materials, fuel and labour could have an adverse effect on our business, results of operations and financial condition.***

We undertake various road construction activities like: milling, crushing and paving. A significant part of the execution of any of these activities is planning, procurement, execution, monitoring and controlling, operations & maintenance. These activities require significant raw materials, stores and spares and labour and therefore forms a major cost for our operations. During the stub period ended on November 30, 2023 and Financial Years 2023, 2022 and 2021 the cost of material consumed were Rs. 11,101.16 lakhs, Rs. 23,489.13 lakhs, Rs. 22,107.55 lakhs and Rs. 9,112.82 lakhs which constituted 56.63%, 65.28%, 75.05% and 57.61% of our revenue from operations respectively. For further information, see ***"Annexure XXIV- Details of cost of material consumed as restated"*** on page 238 of this Draft Red Herring Prospectus. We are vulnerable to the risk of rising and fluctuating prices of raw materials which are determined by demand and supply conditions in the global and Indian markets. Any unexpected price fluctuations after placement of orders, shortage, delay in delivery, quality defects, or any factors beyond our control may result in an interruption in the supply of such materials and adversely affect our business, financial performance and cash flows.

Furthermore, we are susceptible to the risk of increase in prices of fuel as it forms part of some of our work orders for road construction activities like: milling, crushing and paving. Fuel is a fundamental component in the operation of heavy machinery and Rising fuel prices directly impact the operating costs of an equipment. Higher fuel costs may necessitate adjusting rental rates to reflect increased operational expenses. If we are unable to shift the burden of increased fuel costs onto our customers, our profitability may be adversely affected.
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fluctuations after placement of orders, shortage, delay in delivery, quality defects, or any factors beyond our control may result in an interruption in the supply of such materials and adversely affect our business, financial performance and cash flows.

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23. There are outstanding legal proceedings involving our Company which may adversely affect our business, financial conditions, and results of operations.

There are proceedings pending at different levels of adjudication before various courts, enquiry officers and appellate forums. Such proceedings could divert management's time, attention and consume financial resources in their defence. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition, and result of operations. A summary of the outstanding proceedings involving our Company, promoters and directors as disclosed in the Draft Red Herring Prospectus, to the extent quantifiable, have been set out below:

Litigations/ Matters involving our Company:

Nature of Litigation	Number of Cases Outstanding	Amount in dispute/demanded to the extent ascertainable (Amount in lakhs)
Filed by the Company		
Other pending material litigations	1	430.53
Against the Company		
Criminal proceedings	1	Unascertainable
Other pending material litigations	1	Unascertainable
Tax Proceedings (Direct Tax)	5	4.92
Tax Proceedings (Indirect Tax)	2	190.06

Litigations/ Matters against our Promoters and Directors:

Nature of Litigation	Number of Cases Outstanding	Amount in dispute/demanded to the extent ascertainable (Amount in lakhs)
Tax Proceedings (Direct tax)	8	14.98

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Prospectus

For further details, see ***"Outstanding Litigation and Material Developments"*** beginning on page 279 of this Draft Red Herring Prospectus. Any adverse decisions in the aforesaid proceedings may have a material effect on our business, future financial performance and results of operations.

24. Our Company is in process of transferring secured loan from partnership firm to public Company. Any delay/ non-transfer of secured loans could impact the reputation and financial position of the Company to that extent.

As on November 30, 2023 the Company had outstanding secured loan of Rs 17,275.17 lakhs from 20 lenders. All these loans were availed by the company at the time it was a partnership firm and accordingly the company was not required to file the Form CHG 1 with ROC at that time. Later the Company was converted from partnership firm to the public company vide Certificate of Incorporation dated January 12, 2024. Pursuant to conversion from partnership firm to company the process of registration of charge against the outstanding loans was initiated. Thus the Company made an application to the secured lenders for change of name in the loan documents from M/s Vision Infra ("Partnership firm") to Vision Infra Equipment Solutions Limited ("the Company") and the same is in the process. The Company has received the revised agreement from 5 lender banks and has filed their charge form for the same. The outstanding balance from such 5 banks was Rs 2398.69 Lakhs as on November 30, 2023. It further foreclosed the loan from 1 of the lender banks which had outstanding balance of Rs 4.48 lakhs as on November 30, 2023. The company is awaiting the revised agreements from remaining 14 Banks which had an outstanding balance of Rs 14871.99 lakhs as on November 30, 2023. The Company has initiated the process with lender banks to execute sanction agreements in the name of the Company. Upon receiving the revised agreements, our Company shall comply with provision of Section 77 of the Companies Act, 2013 and file Form CHG-1 with RoC for creation of charge within the time frame prescribed under the provisions of Companies Act, 2013. The company shall complete the process of registration of pending charge with MCA upon receipt of revised sanction agreements from these banks. In the event that any lender does not transfer the loan from partnership firm to the Company, we may be required to repay the loan, which may affect business operations of our Company.

25. ***Our Company has been recently formed by conversion of the erstwhile partnership firm into the company, thus we have limited operating history as a Company which may make it difficult for investors to evaluate our historical performance or future prospects.***

Our Company was incorporated as a limited Company under the Companies Act, 2013 with Registrar of Companies, dated January 12, 2024. The Company has been incorporated by conversion of the erstwhile partnership firm; thus, we have limited operating history as a company from which one can evaluate our business, future prospects and viability. Our future business operation and financial position may not comparable with that of the partnership firm and difficult to estimate and could fluctuate significantly and as a result the price of our Equity Shares may remain volatile. Although, our overall presence in the construction equipment space is of about 8 years, as the partnership firm has been converted into the public limited company on a going concern basis but, there can be no assurance that we will be able to successfully pursue our growth strategies, or that pursuing these strategies will provide us the anticipated benefits post conversion of the partnership firm to company. Any inability to pursue our growth strategies successfully or at all, or an inability to manage our growth, may adversely affect our prospects. For further details, see the chapter titled "***History and Corporate Structure***" and "***Restated Financial Statements***" on page 127 and 152 respectively of the Draft Red Herring Prospectus.

26. ***We are subject to risks arising from interest rate fluctuations, which could reduce the profitability of our projects and adversely affect our business, financial condition and results of operations.***

Interest rates for borrowings have been increasing in recent times. Our fleet of equipment and working capital requirements are partly funded by debt and any increase in interest rate and a consequent increase in the cost of servicing such debt may have an adverse effect on our results of operations and financial condition. Changes in prevailing interest rates affect our interest expense in respect of our borrowings and our interest income in respect of our interest on our deposits with banks. As on November 30, 2023, our fund based financial assistance from banks and financial institution is ₹17275.17 lakhs. For further details, please see ***"Statement of Financial Indebtedness"*** on page 264. Our current debt facilities carry interest at floating rates on REPO. We do not currently enter into interest hedging arrangements to hedge against interest rate risk. Upward fluctuations in interest rates may increase our borrowing costs, which could impair our ability to compete effectively in our business relative to competitors with lower levels of indebtedness. As a result, our business, financial condition, cash flows and results of operations may be adversely affected. In addition, we cannot assure you that difficult conditions in the global credit markets will not negatively impact the cost or other terms of our existing financing as well as our ability to obtain new credit facilities or access the capital markets on favourable terms.

27. ***Our operations are subject to risks of mishaps or accidents that could cause damage or loss to life and property and could also result in loss or slowdown in our business***

Our business operations are subject to operating equipment that entails risks, including fatal accidents, mishaps failure of equipment, labour disputes, natural disasters or other force majeure conditions which are beyond our control. The occurrence of any of these mishaps and accidents may expose us to litigations and could significantly affect our results of operations and financial condition. Long periods of business disruption could result in a loss of business. Although we take precautions to minimize the risk of any significant operational problems at our operation sites, there can be no assurance that we will not face such disruptions in the future.

28. ***We are required to furnish bank guarantees as part of our business. Our inability to arrange such guarantees or the invocation of such guarantees may adversely affect our cash flows and financial condition***

As part of our business and requirements of our work orders we are required to provide financial and performance bank guarantees in favor of our clients under the respective contracts for some of our work orders. These guarantees are typically required to be furnished at the time of execution of the work order and are valid up to the completion of service. We may not be able to continue obtaining new financial and performance bank guarantees in sufficient quantities to match our business requirements. If we are unable to provide sufficient collateral to secure the financial bank guarantees, performance bank guarantees or letters of credit, our ability to enter into new contracts or obtain adequate supplies could be limited and could have a material adverse effect on our business, results of operations and financial condition. Providing security to obtain financial and performance bank guarantees also increases our working capital requirements. As of November 30, 2023, we had issued bank guarantees amounting to ₹82.20 lakhs towards securing our financial/ performance obligations for our projects. We may be unable to fulfil any or all of our obligations under the contracts entered into by us due to unforeseen circumstances which may result in a default resulting in invocation of the bank guarantees issued by us. If any or all the bank guarantee are invoked, it may result in adverse effects on our business and financial condition.

29. Our Registered Office is located on leased premises. If we are unable to renew these leases or relocate on commercially suitable terms, it may have a material adverse effect on our business, results of operation and financial condition.

Our registered office is taken on rent pursuant to leave and license agreements. Further we have entered into another leave and license agreement for establishment of new refurbishment unit. Such agreements may be terminated upon the expiry of their tenure and may not be renewed. Additionally, the agreements require our Company to comply with certain conditions including prior consent of the lessor for certain actions such as making significant structural alterations, subletting, transferring or assigning the leased premises. If we fail to meet any such conditions, we may be required to incur additional liability. Moreover, we carried out our refurbishment activities in the past on a rented premises and were required to shift the same to other location. Therefore, any present and future conflicts arising due to these agreements could have a material adverse effect on our operations. If these agreements are terminated or revoked if we are unable to renew these agreements on commercially reasonable terms or at all, we may suffer significant disruptions to our operations and incur considerable costs to relocate and move our operations elsewhere. In the event we are required to vacate the premises, we may need to do with short or no notice. Any inability on our part to timely identify a suitable location to relocate could have an adverse impact on our business.

30. Any Penalty or demand raised by statutory authorities in future will affect financial position of the Company.

Our Company is engaged in providing road construction equipment for sale and on a rental basis, which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, and Employee State Insurance. Any demand or penalty raised by the concerned authority in future for any previous year and current year will have an additional liability. For instance, the company in the past had delayed payment of EPF due to operational reasons and due to conversion of Company from partnership firm to public limited company. Details of the same are as under:

Provident fund

Period	Due Date	Date of Payment	Payment (in INR)
May 2023	June 15, 2023	July 14, 2023	45,802.00
July 2023	August 15, 2023	August 17, 2023	9,40,592.00
November 2023	December 15, 2023	Dec 16, 2023	10,18,408.00
January 2024	Feb 15, 2024	March 30, 2024	446,006.00
January 2024	Feb 15, 2024	Feb 28, 2024	456,624.00
Feb 2024	March 15, 2024	April 06, 2024	704,116.00

ESIC

Period	Due Date	Date of Payment	Payment (in INR)
November 2023	December 15, 2023	December 19, 2023	8,151
December 2023	January 15, 2024	January 16, 2024	9,251
January 2024	February 15, 2024	February 29, 2024	3,469

Accordingly, late fees and penalties were paid on the same. Any demand or penalty raised by the concerned authority for such late filing may affect the financial position of the company.

31. We have certain contingent liabilities that have not been provided for in our restated financial statements, which if realized, could adversely affect our financial condition.

As on November 30, 2023, our contingent liabilities that have not been accounted for in our restated financial statements, were as follows:

(₹ in lakhs)

Particulars	**November 30, 2023**
Contingent liabilities in respect of:	
Bank Guarantee in respect of Work Contract	82.20
In Respect of TDS	4.92
In Respect of GST	89.13
Total	**176.25**

We cannot assure you that these contingent liabilities will not become established liabilities. In the event any of these contingent liabilities become established as liabilities, it may have an adverse effect on our financial condition and results of operations. For further information please refer ***Annexure XXX- Details of Contingent Liabilities*** as restated on page 240 of this Draft Red Herring Prospectus.

32. We have experienced negative cash flows in the past and may continue to do so in the future and the same may adversely affect our cash flow requirements, which in turn may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.

We have experienced negative net cash flows from operating, investing and financing activities in the past and may continue to experience such negative operating cash flows in the future. The following table sets forth certain information relating to our cash flows on a restated consolidated basis for the periods indicated:

(₹ in lakhs)

Particulars	**November 30, 2023**	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
Net cash from/ (used in) Operating Activities	-96.30	7,614.56	1,749.83	3,029.09
Net cash from/ (used in) Investing Activities	-1,693.34	-7,571.42	-4,762.80	-6,231.70
Net cash from/ (used in) Financing Activities	1,576.36	128.48	2,705.10	3,672.01

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see **"*Restated Financial Statements- Annexure III- Statement of Cash Flow as restated*"** and ***"Management's Discussion and Analysis of Financial Position and Results of Operations"*** beginning on pages 158 and 267, respectively.

33. Our operations are dependent on a significant number of contract labour and an inability to access adequate labour at reasonable costs at our sites across India may adversely affect our business prospects and results of operations.

Our operations as a service provider in road construction activities like: milling, crushing and paving are significantly dependent on access to a large pool of contract labour for the execution of our work orders. The number of labourers employed by us varies from time to time based on the nature and extent of work we are involved in. Our dependence on such contract labour may result in significant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract labour during peak periods in labour intensive sectors such as ours. There can be no assurance that we will have adequate access to workmen at reasonable rates and in the areas in which we execute our work orders. As a result, we may be required to incur additional costs to ensure timely execution of our work orders.

34. We have not received No Objection Certificate from all the lenders of term loans to our company.

We have not received the no objection certificate from the lender banks from whom we have availed secured loan. Our company has made an application with these Bank to provide us with the NOC. We are awaiting to receive the same. In case the said consent or NOC is not received in time we may delay the operations. Further, in case we undertake any operation without their prior consent, our lenders may ask for repayment of amounts outstanding under such facilities, or even terminate such facilities, and as a result we may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

35. We are dependent upon the experience of our management team and a number of KMP and senior management personnel. If we are unable to attract or retain such team, this could adversely affect our business, results of operations and financial condition.

We are dependent on the experienced and capable management team for successful operations. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled personnel. The loss of the services of our key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, if we cannot hire additional qualified personnel or retain them, our ability to expand our business may be impacted. As we intend to continue to expand our operations, we will be required to continue to attract and retain experienced personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees. There can be no assurance that our competitors will not offer better compensation incentives and other perquisites to such skilled personnel.
In the event that we are not able to attract and retain talented employees as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, results of operations and financial condition may be adversely affected. For further information, see ***"Our Management"*** on page *32.*

36. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.

The proposed fund requirement for our objects of the Issue, as detailed in the section titled "Objects of the Issue" is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule our growth prospectus. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled "***Objects of the Issue***" beginning on page 76 of this Draft Red Herring Prospectus. The proposed fund requirement for our objects of the Issue, as detailed in the section titled ***"Objects of the Issue"*** is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule our growth prospectus. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled ***"Objects of the Issue"*** beginning on page 77 of this Draft Prospectus.

37. Unsecured loans taken by us can be recalled at any time.

Our Company have currently availed unsecured loans which may be recalled by the lenders at any time. As on November 30, 2023, the unsecured loans of our Company that may be recalled at any time by the lenders aggregated to ₹3388.86 lakhs, which constituted approximately 16.34% of the total indebtedness of our Company. For further details, see ***"Statement of Financial Indebtedness"*** beginning on page *264.* In the event that any lender seeks a repayment of any such loan, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all.

38. Our inability to respond adequately to increased competition in our business may adversely affect our business, financial condition and results of operations.

We compete with several companies and entities, that include large infrastructure companies and organized and unorganized contractors in the infrastructure industry. Our competitors may have greater brand recognition, stronger manpower and greater financial resources and experience. We also face competition from new entrants who may have more flexibility in responding to changing business and economic conditions. The basis of competition includes, among other things, pricing, innovation, perceived value and other criteria. We have experienced price competition in the past, and there can be no assurance that such price competition will not recur in the future. Growing competition may reduce revenues and margins and/or decrease our market share, either of which could affect our results of operations. These developments could render us obsolete or in competitive, which would harm our business and financial results.

39. Some of our Group Companies and Promoter Group Entities operate in the same line of business as us, which may lead to conflict of interest.

Our Group Companies, Canrod India Private Limited and Equipment Hub FZC and Promoter Group Entities M/s Globalinfra Equipment, M/s Vision Infra Services and M/s Vision Infra Projects are involved in ventures which are in the same line of business as of our Company. We derive some portion of our revenue from sales to group companies and promoter group entities. During the Stub period ended on November 30, 2023 and Year ended March 2023, March 2022, March 2021, we derive 8.38%, 69.39%, 63.25% and 31.86% of our revenue from operation respectively from our group companies Hence, we may have to depend on our Group Entities for business, which may impact our business, financial condition and results of operations. We cannot assure that our Promoters who have common interest in said entity will not favour the interest of the said entity. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and these Companies in circumstances where our respective interests' conflict. In cases of conflict, our Promoters may favour these companies. There can be no assurance that our Promoters or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. The interests of our Promoters may also conflict in material aspects with our interests or the interests of our Shareholders. Further we may be unable to establish that sales to these foreign group companies have been made at arms length pricing which may expose us to statutory liabilities. However, our Company will ensure necessary procedures and practices as permitted by laws and regulatory guidelines to address situations of conflict of interest as and when they arise. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, see ***"Our Group Companies"*** on page *287*.

40. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.

We propose to utilize the Net Proceeds towards Funding Capital Expenditure towards purchase of additional equipment, to meet working capital requirements and general corporate purposes. For further details of the proposed objects of the Issue, see ***"Objects of the Issue"*** beginning on page *23*. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations. Further, our Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement to provide an exit opportunity to such dissenting shareholders of our Company may deter our Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition, if any, which may adversely affect our business and results of operations.

41. Failure to protect our intellectual property rights may adversely affect our competitive business position, financial condition and profitability.

Presently, our Company is using logo which is registered under the Trade Marks Act, 1999, however our company has applied for the wordmark registration "VISION INFRA" under the Trade Marks Act, 1999 and the current status of the same is "Accepted and advertised". There can be no assurance that the wordmark application will be registered. Any other vendor in the similar line of business as ours may use the above-mentioned trademark and we may have a lesser recourse to initiate legal proceedings to protect our brand name. In the event we are not able to obtain registrations due to opposition by third parties or if any injunctive or other adverse order is issued against us in respect of our wordmark for which we have applied for registration, we may not be able to use such intellectual property or avail the legal protection or prevent unauthorised use of such trademark/wordmark by third parties, which may adversely affect our goodwill and business. Further, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects. In case we are unable to obtain the registration for the said trademark in our name, our business revenues and profitability may be impacted. ***For details relating to Immovable Property refer-Our Business- Intellectual Property on page 115 of this Draft Red Herring Prospectus***.

42. Industry information included in this Draft Red Herring Prospectus has been derived from industry sources. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate.

This Draft Red Herring Prospectus includes information on Industry in which we operate from various sources. For further details, please see ***"Industry Overview"*** beginning on page *91*. The data has been furnished by independent agency on their websites and has no relationship with our Company, its Promoters, Directors, or the Book Running Lead Manager as on the date of this Draft Red Herring Prospectus. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

43. Our Company has in the past entered into related party transactions with our Directors, Promoters and Promoter Group members/ entities and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

In the ordinary course of business, we have entered into transactions with certain related parties in the past and may continue to do so in future. We have entered into various transactions with our Directors, Promoters and Promoter Group members/entities, Group Companies and joint ventures. These transactions, inter-alia include, remuneration, loans and advances, purchase, sales, reimbursement of expenses etc. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with non-related parties. For further details, see "***Restated Financial Statements- Annexure –XXXI– Related Party Disclosure***" on page 241".

Our Company has entered into such transactions due to easy proximity and quick execution in compliance with provisions of Companies Act 2013 and applicable laws. Although all related-party transactions that the company may enter into in the future are subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, the company cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that the company could not have achieved more favourable terms if such transactions are not entered into with related parties.

44. Our lenders have charge over our movable properties in respect of finance availed by us.

We have secured our lenders by creating a charge over our immovable properties in respect of Working capital loan, term loans for equipment and bank guarantee issued to us from our lenders. We have been extended such loan against hypothecation of our assets. For further information on the financing and loan agreements along with the total amounts outstanding and the details of the repayment schedule, please refer to chapter ***"Statement of Financial Indebtedness"*** beginning on page *264* of this Draft Red Herring Prospectus.

45. Our Promoters and promoter group members are co-applicant in the loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may impact their ability to effectively service their obligations and thereby, impact our business and operations

Our Promoters and promoter group members are co-applicant in certain loan facilities taken by our company. We have been sanctioned such loan against the personal property of our promoters which was mortgaged for the same. Our Promoters may continue to provide such guarantees and other securities post listing. In case of a default under our loan agreements, any of the guarantees provided by our Promoters and Promoter group members may be invoked or the personal property of the promoters may be forfeited, which could negatively impact the reputation and net worth of our Promoters and Promoter group members. In addition, our guarantors may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company.

Furthermore, in the event that our Promoters and Promoter group members withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

46. Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, results of operations and financial condition.

Our operations are subject to various risks associated with our industry. We maintain Miscellaneous Vehicles Package Policy to insure our vehicles. We also maintain employee's compensation insurance, employee’s health insurance. These insurance policies are reviewed periodically to ensure that the coverage is adequate. We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such Insurances, however our policies are subject to standard limitations. Further, our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have an adverse effect on our financial condition, results of operations and cash flows. While we believe that insurance coverage will be available in the future, we cannot assure you that such coverage will be available at costs and terms acceptable to us or that such coverage will be adequate with respect to future claims that may arise. If we are not able to adequately insure against the risks we face, or the insurance coverage we have taken is inadequate to cover our losses, our business, financial condition and results of operations could be adversely affected.

47. There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to ₹ 10,000 Lakh. However, if the Issue size is more than ₹ 10,000 Lakh, our Company shall appoint a monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

48. Our Promoters and Promoter Group will continue to retain significant control in our Company after the Issue which will allow them to influence the outcome of matters submitted to shareholders for approval. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.

After the completion of this Issue, our Promoters and Promoter Group will continue to hold [●] percentage of the equity share capital of our Company and will be in a position to exercise significant control, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting, and our other shareholders will be unable to affect the outcome of such voting. Our Promoters and Promoter Group may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender issue or otherwise attempting to obtain control of us. We cannot assure you that our Promoters and Promoter Group will act in our interest while exercising their rights in such entities, which may in turn materially and adversely affect our business and results of operations. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in our favor. If our Promoters and Promoter Group sell a substantial number of the Equity Shares in the public market, or if there is a perception that such sale or distribution could occur, the market price of the Equity Shares could be adversely affected. No assurance can be given that such Equity Shares that are held by the Promoters will not be sold any time after the Issue, which could cause the price of the Equity Shares to decline.

49. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

We have not declared any dividends on our Equity Shares in the past. The amount of our future dividend payments, if any, will depend upon factors that our Board deems relevant, including among others, our results of future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends in future. For further details, please see '*Dividend Policy*' on page *151* of the Draft Red Herring Prospectus.

50. Our employees may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with any regulations applicable to us, to provide accurate information to regulatory authorities, to comply with manufacturing standards we have established, or to report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in our industry are subject to laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. While we have not faced such instances in the past, there can be no assurance that we will be able to identify and deter such misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risk. If our employees engage in any such misconduct, we could face criminal penalties, fines, revocation of regulatory approvals and harm to our reputation, any of which could form a material adverse effect on our business.

51. We are exposed to the risks of malfunctions or disruptions of information technology systems.

We depend on information technology systems and accounting systems to support our business processes, including designing, planning, execution, procurement, inventory management, quality control, product costing, human resources and finance. Although these technology initiatives are intended to increase productivity and operating efficiencies, they may not achieve such intended results. These systems may be potentially vulnerable to outages due to fire, floods, power loss, telecommunications failures, natural disasters, computer viruses or malware, break-ins and similar events. Effective response to such disruptions or malfunctions will require effort and diligence on the part of our third-party distribution partners and employees to avoid any adverse effect to our information technology systems.

52. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.

We intend to use the Net Proceeds for the purposes described in "***Objects of the Issue***" on page *23* of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus, our funding requirements are based on management estimates, current circumstances of our business, the prevailing market condition and other commercial and technical factors and have not been appraised by any bank or financial institution. They are based on current conditions and are subject to change in light of financial condition, business strategy and external factors such as government policies, market conditions, competitive environment and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. While we will use the Net Proceeds for purposes such for funding its working capital requirements in the manner specified in "***Objects of the Issue***" on page *23*.

53. Our Promoters and Promoter Group Members have provided guarantees for loans availed by us, and in the event the same is enforced against them, it could adversely affect our Promoters' ability to manage the affairs of our Company.

Our Promoters and Promoter Group Members have given guarantees in relation to certain borrowings availed by our Company. In the event of default on such borrowings, these guarantees may be invoked by our lenders thereby adversely affecting our Promoters' ability to manage the affairs of our Company and this, in turn, could adversely affect our business, prospects, financial condition and results of operations. Further, if any of these guarantees are revoked by our Promoters and some of our Promoter Group Members our lenders may require alternate securities or guarantees and may seek early repayment or terminate such facilities. Any such event could adversely affect our financial condition and results of operations.

54. We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt - equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally, the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

55. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.

The issue price of the equity shares has been based on many factors and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled ***"Basis for Issue Price"*** beginning on page 84 of the Draft Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue in case of unfavorable situation it, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

56. Certain data mentioned in this Draft Red Herring Prospectus has not been independently verified.

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

57. QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Issue Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While we are required to complete Allotment, listing and commencement of trading pursuant to the Issue within three (3) Working Days from the Bid/ Issue Closing Date, events affecting the Bidders' decision to invest in our Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows and financial condition may arise between the date of submission of the Bid and Allotment, listing and commencement of trading. We may complete the Allotment, listing and commencement of trading of our Equity Shares even if such events occur and such events may limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Issue or may cause the trading price of our Equity Shares to decline on listing. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Issue within three Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

CAPITAL STRUCTURE

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Draft Red Herring Prospectus.

(₹ in Lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**Authorized Share Capital** 2,50,00,000 Equity Shares having Face Value of ₹ 10/- each	2500.00	-
B	**Issued, Subscribed & Paid-up Share Capital prior to the Issue** 1,73,00,000 Equity Shares having Face Value of ₹10/- each	1730.00	-
C	**Present Issue in terms of this Draft Red Herring Prospectus** Upto 73,68,000 Equity Shares having Face Value of ₹ 10/-each at a Premium of ₹ [●] per share (1) (2)	[●]	[●]
	Which comprises of:		
D	**Reservation for Market Maker Portion** [●] Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share reserved as Market Maker Portion	[●]	[●]
E	**Net Issue to Public** Net Issue to Public of [●] Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share to the Public	[●]	[●]
	Of which:		
	At least [●] Equity Shares aggregating up to ₹[●] lakhs will be available for allocation to Retail Individual Investors	[●]	[●]
	At least [●] Equity Shares aggregating up to ₹[●] lakhs will be available for allocation to Non-Institutional Investors	[●]	[●]
	Not more than [●] Equity Shares aggregating up to ₹ [●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. of which shall be allocated to mutual funds.	[●]	[●]
F	**Issued, Subscribed and Paid-up Equity Share Capital after the Issue***		
	[●] Equity Shares of face value of ₹10/- each	[●]	
G	**Securities Premium Account**		
	Before the Issue (as on date of this Draft Red Herring Prospectus)	Nil	
	After the Issue	[●]	

**To be updated upon finalization of the Issue Price.*

1. *The Present Issue of upto 73,68,000 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated March 12, 2024 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of the members held on March 18, 2024.*

2. *Our Company, in consultation with the BRLM, may consider a Pre-IPO placement of up to 8,52,000 Equity Shares prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.*

<u>**OBJECTS OF THE ISSUE**</u>

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

Sr. No	Particulars	Amount (₹ in Lakhs)
1.	Funding Capital Expenditure towards purchase of additional equipment	4309.15
2.	Funding to meet working capital requirements	3500.00
3.	General Corporate Purpose	[●][#]
	Total	[●]

[#] Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of securities pursuant to the Pre-IPO Placement, our Company shall utilise the proceeds from such Pre-IPO Placement towards the Objects of the Issue.

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below.

Means of Finance

We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amount (₹ in Lakhs)
Net Issue Proceeds	[●]
Total	[●]

Since, the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

Subject to applicable law, if the actual utilization towards the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with Regulation 230(2) of the SEBI ICDR Regulations. In case of a shortfall in raising the requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilizing our internal accruals and seeking additional debt from existing and/or future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purpose set forth above, increased funding requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in the Fresh Issue. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company. The Objects may be varied in the manner provided in ***"Objects of the Issue – Variation in Objects"*** on page *83*.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled ***"Risk Factors"*** beginning on page *30* of the Draft Red Herring Prospectus.

Details of Utilization of Net Proceeds

1. Funding Capital Expenditure towards purchase of additional equipment

Our Company intends to make capital expenditure towards purchase of additional equipment. Our Company proposes to use part of net proceeds to the extent of Rs. 4309.15 Lakhs to meet capital expenditure in relation to purchase of road construction equipment. The company intends to grow its fleet of equipment so that it can expand its operations as service provider for road construction activities like: milling, crushing and paving.

The Company is expecting a high demand as the government is focusing on infrastructure development all over India. They have aggressively planned various projects, which will result in a huge demand for equipment to complete these projects. In order to cope with future requirements, the Company planned to add new assets to the fleet.

As of November 30, 2023, the company owns a fleet of 326 road construction equipment. Around 40% of this fleet consists of equipment that is less than three years old. Company is looking to add new construction equipment to the fleet to enhance productivity for several reasons like: Increased Efficiency, Reduced Maintenance Costs**,** Enhanced Capabilities**,** Safety Improvements, Competitive Advantage**.**

By expanding the fleet with new road construction equipment, Company aims to sustain and enhance the productivity, ensuring that the Company continue to deliver high-quality projects on time and within budget.

2. Funding to meet working capital requirements

With the expansion of the business company will be in the need of additional working capital requirements. We fund a majority of our working capital requirements in the ordinary course of business from banks facilities and internal accruals. Our Company requires additional working capital for funding its incremental working capital requirements and releasing the internal accruals deployed in working capital.

Our Company proposes to utilize ₹[●] lakhs of the Net Proceeds in Fiscal 2025 towards our Company's working capital requirements. The balance portion of our Company working capital requirement shall be met from the working capital facilities availed and internal accruals. The incremental and proposed working capital requirements and key assumptions with respect to the determination of the same are mentioned below:

Details of Estimation of Working Capital requirement are as follows:

(₹ in Lakhs)

S. No.	Particulars	Restated				Estimated	Provisional
		March 31, 2021	March 31, 2022	March 31, 2023	November 30, 2023	March 31, 2024	March 31, 2025
I	**Current Assets**						
	Inventories	648.06	1741.84	992.53	2442.69	2,426.30	3,439.73
	Trade receivables	2788.70	4431.88	4439.92	5975.39	5,391.78	11,465.75
	Short term loans and Advances	768.61	829.74	1111.43	861.51	1,361.83	2,028.27
	Other Current Assets	1620.20	1575.73	919.90	105.07	226.76	339.05
	Total (A)	**5825.57**	**8579.19**	**7463.78**	**9384.66**	**9,406.67**	**17,272.80**
II	**Current Liabilities**						
	Trade payables	1836.39	2677.02	2547.83	1500.38	2,001.70	1,742.22
	Other Current Liabilities	2016.64	2421.45	3618.21	2210.36	2,246.93	2,851.21
	Short Term Provisions	152.24	133.54	379.20	580.99	3.26	4.40
	Total (B)	**4005.27**	**5232.01**	**6545.24**	**4291.73**	**4,251.89**	**4,597.83**
III	**Total Working Capital Gap (A-B)**	**1820.30**	**3347.18**	**918.54**	**5092.93**	**5,154.78**	**12,674.96**
IV	**Funding Pattern**						
	Short Term borrowings & Internal accrual	**1820.30**	**3347.18**	**918.54**	**5092.93**	**5,154.78**	[●]
	IPO Proceeds						[●]

<u>Assumptions for working capital requirements</u>

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, as well as projections for financial year ended March 31, 2024 and March 31, 2025.

Particulars	Unit	Restated				Estimated	Provisional
		March 31, 2021	March 31, 2022	March 31, 2023	November 30, 2023	March 31, 2024	March 31, 2025
Debtors	Days	50	45	45	65	60	90
Creditors	Days	84	37	41	45	45	30
Inventories	Days	39	18	18	33	60	60

a. Detailed rationale for increase in working capital requirement of the Company for FY 2022

One of the most important factors affecting working capital requirements is the size of a business and the scale of its operations. The increase in sales volume significantly influences the working capital needs of a business. The Company's overall turnover from FY 2021 to FY 2022 almost increased by 86.23% from Rs 15817.74 lakhs to Rs 29457.43 lakhs. The increase in turnover also required cash flow for the purchasing of additional equipment to run the business and accordingly the inventories increased by 168.78% from Rs 648.06 lakhs in FY 2021 to Rs 1741.84 lakhs in FY 2022. Moreover, with expansion of business larger amount of funds were blocked in Trade receivables which increased by 58.92% from Rs 2788.70 lakhs in FY 2021 to Rs 4431.88 lakhs in FY 2022. As a result of an increase in the requirement for funds for the above activities the company's requirement for working capital increased by 83.88% from Rs 1820.30 lakhs to Rs 3347.18 lakhs.

b. Detailed rationale for decrease in working capital requirement of the Company for FY 2023

During the year 2023, the demand for road construction equipment surged and the requirement was huge which led to increase in Revenue from operations by 22.15 % from Rs 29457.43 lakhs in FY 2022 to Rs 35980.81 lakhs in FY 2023. The company was able to receive an advance against the orders due to which there was increase in other current liabilities. The Advance from customers increased by 66.42% from Rs 665.79 lakhs in FY 2022 to Rs 1108.04 lakhs in FY 2023. Further the other current liabilities also increased due to increase in the amount Payable for Capital Goods by 41.74% from Rs 1,617.17 lakhs in FY 2022 to Rs 2,292.16 lakhs in FY 2023. Thus there was overall increase in other current liabilities by 49.42% from Rs 2,421.45 lakhs in FY 2022 to Rs 3,618.21 lakhs in FY 2023. The above reasons led to ***Increase in Current liabilities.***

Further, due to rising demand company was able to conclude the trading and refurbishment orders faster resulting in reduction of inventories by 43.02% from Rs 1,741.84 lakhs in FY 2022 to Rs 992.53 lakhs in FY 2023. Moreover, during the FY 2023 the company has also witnessed reduction in Other Current Assets due to reduction in GST receivables by 41.66% from Rs 1,575.73 lakhs in FY 2022 to Rs 919.24 lakhs in FY 2023. The above reasons led to ***Decrease in Current Assets***

Contrastingly, when a business benefits from reduction in amounts blocked in current assets and ensures extended payments terms in current liabilities, the working capital requirement reduces significantly.

c. Detailed rationale for increase in working capital requirement of the Company for stub period and estimated period

Under the Union Budget 2023- 24, the Government of India allocated Rs. 2.7 lakh crore (US$ 33 billion) to the Ministry of Road Transport and Highways. The Roads sector is expected to account for 18% capital expenditure over FY19-FY25. In FY22 (until November 2021) private sector invested Rs. 15,164 crore (US$ 1.98 billion) in roads. (*Source: Ministry of External Affairs, Economic Survey-2019-20, MoRTH, News Articles.)* Various government initiatives facilitate the growth of our company of this sector which in turn contribute to growth of our operations. The increasing demand for road construction equipment in the market will increase the demand for the purchase of these assets. Purchasing assets from the market requires cashflow. During the FY 2021 we rented out our construction equipment to approx. 65 number of customers which expanded to approx. 90 number of customers as on date of the Draft Red Herring Prospectus. Company therefore required additional capital to cater additional customer base. Accordingly larger funds got parked in the current assets like:

1) Inventories increased by 146.11% from Rs 992.53 lakhs in FY 2023 to Rs 2442.69 lakhs as on November 30, 2023.

2) Trade Receivables increased by 34.58% from Rs 4439.92 lakhs in FY 2023 to Rs 5975.39 lakhs as on November 30, 2023.

Further the company intended to generate better margins due to which it attempted to make faster payments towards trade payables and reduced the advances from customers. Accordingly larger funds were utilized to reduce the current liabilities like:

1) Trade Payables decreased by 41.11% from Rs 2547.83 lakhs in FY 2023 to Rs 1500.38 lakhs as on November 30, 2023.
2) Other Current Liabilities decreased by 38.91% from Rs 3618.21lakhs in FY 2023 to Rs 2210.36 lakhs as on November 30, 2023

Thus increase in current assets with corresponding decrease in current liabilities led to increase in working capital requirements during the stub period ended on November 30, 2023 and considering the above factors the estimated working capital requirements of the estimated period is projected.

d. Detailed rationale for increase in working capital ratio for last three financial years, stub period.

We have explained above the rationale for working capital requirements year on year. The aforesaid reasons led to working capital requirements. Moreover, to expand its operations the company would be required to extend liberal credit policy and ensure timely delivery of goods. Effectively managing large inventories becomes a necessity, driving the requirement for a higher level of working capital. This proactive approach enables businesses to meet customer demands promptly and maintain a competitive edge.

Justification:

Debtors	The historical holding days of trade receivables has been ranging from 45 days to 65 days from FY 20-21 to as at November 30, 2023. As per the current credit terms and prevalent trend of the industry & in order to expand company's operations, the holding level for debtors is anticipated at 90 days of total revenue from operations during Fiscal 2025. The company has initiated expansion of revenue from rental operations, which shall require allowing them more time to settle their invoices and capture larger customer base in the industry. By offering this flexibility, we expect to stimulate increased sales volume and foster stronger customer relationships. This trend is primarily driven by the characteristics of our customer base, predominantly comprising of industries requiring heavy equipment. Customers in these sectors typically follow a payment practice where post completion of work and expand our customer base the general payment terms may be required to be extended to around 90 days. The prolonged credit period is a result of the trust and long-term relationships we maintain with our clients. As a result, our trade receivable days are in alignment with industry norms and the necessity to accommodate the payment practices prevalent in our customer base.
Creditors	Past trend of Trade payables holding days has been in the range of 41 days to 84 days from FY 20-21 and as at November 30, 2023. However, with additional working capital funding, our Company intends to reduce trade payable 30 days during Fiscal 2025 to avail cash discount as well as competitive purchase price to increase overall profitability of our Company. By reducing the time, it takes to settle our payables we aim to negotiate more favourable terms and conditions with our suppliers, enabling us to access competitive pricing. Further some of our purchases require some advances to be paid to suppliers and we need to ensure timely payments so as to strengthen our long-term relationships with such suppliers to maintain supply chain balances.
Inventories	The historical holding days of inventories has been in range of 18 days to 40 from FY 20-21 to as at November 30, 2023. With the perspective to increase business operations and expand revenue from operations, the Company estimates to expand inventories holding days to be around 60 days in Fiscal 25. With increase in executable orders we would need higher levels of working capital funds. Refurbishment of equipment before being sold will also require us to maintain higher turn around time from purchase of equipment to until they are sold. With additional working capital limits the company is also expecting to maintain sufficient inventory of spare parts to address the needs of wear and tear in the business.

OUR BUSINESS

OVERVIEW

We are a solution provider in the equipment space delivering our services in airports, smart cities, irrigation, building & factories, mining , railways , etc. Our portfolio of services includes: renting of road construction equipment and trading and refurbishment of these equipment. Our services offer several advantages, such as improved efficiency, cost control and a streamlined supply chain. Our business of renting of road construction equipment is executed in two rental modes based on: (i) “time-based pricing” and (ii) “output based pricing”.

The time based pricing model allows customers to pay for the equipment based on how much they use it or the time duration they utilize it for, which is primarily a fixed fee. This model is common where our equipment is leased to contractors or developers in the infrastructure industry and in road construction activity like: paving. Rental based on the output of a service provider is often referred to as "output-based pricing". In this model, the customer pays for the service based on the results or outcomes delivered by the service provider, rather than a fixed fee or hourly rate. This approach is commonly used in delivering our services as service provider for various road construction activities like: milling and crushing. We deploy our equipment, manpower and other resources for running out these activities.

We have large no. of fleet of major OEM’s like Wirtgen, Case, Luigong, Dynapac, Komatsu, Atlas Copco, Ashok Leyland, Bharat Benz, Eicher Motors, Volvo, Terex Power Screen, Caterpillar, Metro, BOMAG etc which is rented out to infra companies like: Larsen & Toubro, Ashoka Buildcon Ltd, Afcons Infrastructure Ltd, NCC Ltd, GMR Infraprojects Ltd, Shapoorji Pallonji, Dilip Buildcon Ltd, Tata Projects Ltd, ITD Cementation India Limited, HG Infra Engineering Ltd , IRB Infra developers Ltd, GR Infra Projects Ltd, etc. Offering a fleet of road construction equipment for rent provides flexibility to clients who may not want to invest in purchasing the machinery outright. Further it allows our clients to access the latest technology without the long-term commitment of ownership. As of November 30, 2023 we own a fleet of 326 road construction equipment. During the FY 2021 we rented out our construction equipment to approx. 65 number of customers which expanded to approx. 90 number of customers during FY 2023. We operate from our head office situated at Shop No 401-405, Bhawani International Business Bay, Bhavani Peth, Pune City, Pune-411042, Maharashtra, India.

The leasing of Construction equipments require a combination of expertise, efficient equipment, and a skilled workforce. Our scope of work as a service provide includes deployment of road construction equipment along with ancillary equipment of required quality and capacity with suitable manpower for operation and maintenance of the same. Our scope further includes mobilization and demobilization of such equipment from client location. It's a crucial sector for infrastructure development, ensuring the creation and maintenance of quality roads. Having gained knowledge and experience about road construction equipment and services we successfully delivered our services for various projects of our clients, some of which are as under:

- Road projects like: *JNPT Road Project, Samruddhi Mahamarg, MUMBAI City – Eastern Expressway, Varanasi – Aurangabad Section of NH-2, Ahmedabad – Vadodara Expressway, Delhi – Jaipur Highway, Delhi – Ahmedabad Highway, Udaipur – Chittorgarh Road Project, Guwahati-Shillong Road Project etc. Lucknow - Agra Expressway, Sambalpur - Rourkela Road Project, Delhi - Amritsar Road Project, Bijapur - Humnabad Road Project, Ganga Expressway, Mumbai – Bangalore Highway*.
- Airports like: *Hyderabad International Airport, Indira Gandhi International Airport, Sardar V.Patel International Airport.*
- Defence like: *Bhuj Defence Airport, Varsha Project (Indian Navy), Nda, Pune*
- Railways like: *WDFCC (Delhi - Mumbai), High Speed Rail Project (Ahmedabad - Mumbai),*
- Smart City Projects like: *Ujjain, Pune, Amravati Capital City, Ap, Dolera Smart City*
- Irrigation Projects like: *Kaleshwaram Dam*
- Buildings & Factory Work like: *Kia Motors, Anantpur, Reliance Life Science.*
- Muncipal Solid Waste Management like: *Kalyan-Dombivali Muncipal Corporation, Raipur Muncipal Corporation, Jalgaon Muncipal Corporation.*
- *Meerut Aligarh Ghaziabad Road Project, Mej-Indergarh Expressway Project (Miep), Mudhol Nipani Road Project, Jaora Nayagaon Road Project, Four Lanning of Kaithal- Rajasthan Border Section NH-152/52, Six Laning Of Kishangarh Udaipur Ahmedabad Section, Noida International Airport Project, Jewar, Up - Milling Activity*
- *Mumbai Coastal Road Package 1 (Bridges)- Rental Service*
- *Ghaziabad Aligarh Expressway- Crushing Activity*

Our Strengths

We own a large and young fleet of road construction equipment.

Our range of solutions include renting of road construction equipment and trading and refurbishment of these equipment. Our experience and core competencies in the road construction industry has helped us to successfully deliver quality and reliable solutions. The large portfolio of equipment enables us to correctly take orders with project specifications and provide quality services in a timely and cost-effective manner. We identify the target customers within the road construction industry, which includes infrastructure or construction companies, contractors, developers etc and highlight factors such as cost-effectiveness, innovative technologies, sustainability, or efficiency gains.

We own large fleet and young fleet of diverse range of road construction equipment like: Soil stabilisers, Tandem Rollers, PTR, Soil Compactors, Cement Spreaders, Excavators, Transit Mixer, Truck Container Body, Milling Machine, Jaw Crusher, Concrete Paver, Asphalt Paver, Wheel Loaders, Rock Breakers, Graders, Boom Placers, Tippers, Diesel Generators etc. Most of the equipment cater to some of the renowned brands in the industry like: Wirtgen, Case, Luigong, Dynapac, Komatsu, Atlas Copco, Ashok Leyland, Bharat Benz, Eicher Motors, Volvo, Terex Power Screen, Caterpillar, Metro, BOMAG etc.

As of November 30, 2023 we own a fleet of 326 road construction equipment. The equipment is operational at various locations PAN India. Consequently, the vehicles are parked at the respective client sites or at the new unit acquired vide leave and license agreement by the company at Gat No 185 and 186, Ambi, Taluka - Maval District- Pune, Maharashtra 410507. Ageing of our equipment as on November 30, 2023 is as under:

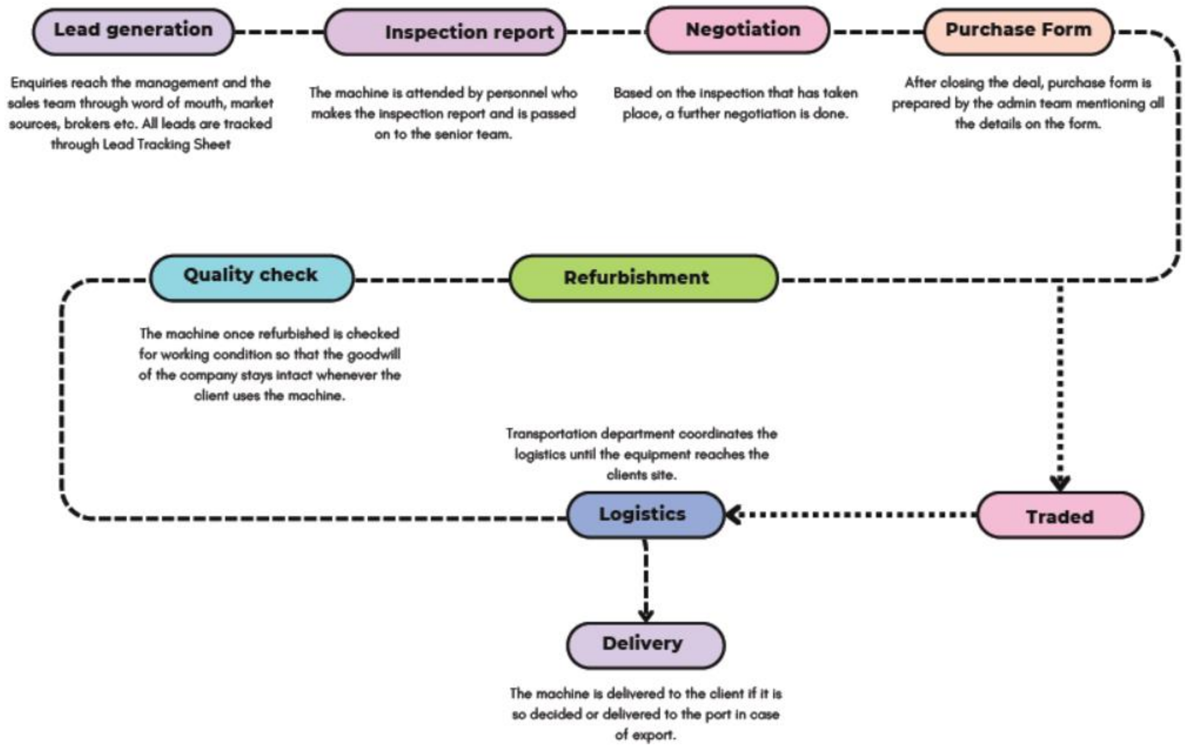
Equipment Age	As of November 30, 2023
less than 1 year older equipment	46
less than 3 year older equipment	87
More than 3 year older equipment	193
Total	**326**

Our diversification of revenue as a rental service provider and dealer in various type of refurbished road construction equipment allow us to prevent any possible concentration in any of our categories. This strategy helps us to increase revenue streams, improve margins, and minimize business risk. With our track record and wide portfolio, we have been able to retain our existing customers and have also been able to attract new customers.

- **TRADING AND REFURBISHMENT OF ROAD CONSTRUCTION EQUIPMENT**

We are involved in the business of Trading in second-hand road construction equipment which involves buying, refurbishing if necessary, and reselling used machinery for road construction activities. We purchase used equipment from Infrastructure companies, contractors, NBFCs , banks and Retail Market and refurbish the equipment, if required, such that it is brought back to optimal working condition, meeting safety and quality standards before being resold. In the context of road construction equipment and services, the refurbishment business plays a significant role in extending the life cycle of machinery and ensuring optimal performance. The raw material required for refurbishment is mainly related to ware parts replacement like filter lubricants oils buckets etc along with requirements of servicing the equipment. The raw material is purchased from OEM manufacturer and some parts even from local market. In the past we had been carrying out our refurbishment activities both in house and through job work. However currently we are outsourcing the refurbishment activities. Further our company intends to establish its new refurbishment unit at Gat No 185 and 186, Ambi, Taluka - Maval District- Pune, Maharashtra 410507 for which we have already executed the leave and license agreement for a period of 5 years.

Below chart depicts the refurbishment process.



Immovable Property

Our Company has following immovable property on rent:

Sr. No.	Particulars	Use	Term of Lease	Amount	Status (Owned/ rented)
1.	401 Fourth Floor, International Business Bay (IBB), CTS No. 710A/46, Final Plot No. 377 & 375/14, Bhawani Peth, Sankar Seth Road Gurunanak Nagar, Pune-411 042	Registered Office	The Leave and License agreement for a period of 60 months valid until April 30, 2027	Rs. 39,600/- (for 01.05.2024 to 30.04.2025) Rs. 41,500/- (for 01.05.2025 to 30.04.2026) Rs. 43,400/- (for 01.05.2026-30.04.2,027)	Leave and License from Mr. Vidit Bhargava and Mrs. Sanyogita Bhargava.
2.	402 Fourth Floor, International Business Bay (IBB), CTS No. 710A/46, Final Plot No. 377 & 375/14, Bhawani Peth, Sankar Seth Road Gurunanak Nagar, Pune-411 042	Registered Office	The Leave and License agreement for a period of 60 months valid until April 30, 2027	Rs. 38,700/- (for 01.05.2024 to 30.04.2025) Rs. 40,600/- (for 01.05.2025 to 30.04.2026) Rs. 42,400/- (for 01.05.2026-30.04.2027)	Leave and License from Mr. Manjul Chawda and Mr. Yeshwant Kanji Chawda.
3.	403 Fourth Floor,	Registered	The Leave and	Rs. 53,300/- (for	Leave and License

	International Business Bay (IBB), CTS No. 710A/46, Final Plot No. 377 & 375/14, Bhawani Peth, Sankar Seth Road Gurunanak Nagar, Pune-411 042	Office	License agreement for a period of 60 months valid until April 30, 2027	01.05.2024 to 30.04.2025) Rs. 55,800/- (for 01.05.2025 to 30.04.2026) Rs. 58,300/- (for 01.05.2026 to 30.04.2027)	from Mr. Sai Prasad Challapalli and Mrs. Sireesha Challapalli
4.	404 Fourth Floor, International Business Bay (IBB), CTS No. 710A/46, Final Plot No. 377 & 375/14, Bhawani Peth, Sankar Seth Road Gurunanak Nagar, Pune-411 042	Registered Office	The Leave and License agreement for a period of 60 months valid until April 30, 2027	Rs. 60,100/- (for 01.05.2024 to 30.04.2025) Rs. 63,000/- (for 01.05.2025 to 30.04.2026) Rs. 65,900/- (for 01.05.2026 to 30.04.2027)	Leave and License from Mrs. Hemali Waykole and Mr. Abhijeet Waykole
5.	405 Fourth Floor, International Business Bay (IBB), CTS No. 710A/46, Final Plot No. 377 & 375/14, Bhawani Peth, Sankar Seth Road Gurunanak Nagar, Pune-411 042	Registered Office	The Leave and License agreement for a period of 60 months valid until April 30, 2027	Rs. 25,600/- (for 01.05.2024 to 30.04.2025) Rs. 26,800/- (for 01.05.2025 to 30.04.2026) Rs. 28,100/- (for 01.05.2026 to 30.04.2027)	Leave and License from Mrs. Rekha Manoj Nambiar
6.	Gat No 185 and 186, Ambi, Taluka - Maval District- Pune, Maharashtra 410507	Proposed Refurbishment Unit	The Leave and License agreement for a period of 60 months valid until May 02, 2029	Rs. 1,40,000/- (for 0 to 24 months) Rs. 1,47,000/- (for 25 to 48 months) Rs. 1,54,350/- (for 49 to 60 months)	Leave and License from Mr. Santosh Babasaheb Shelke
7.	S. No. 710- A/46, Bhavani Peth, Shankar Seth Road, Pune, T.P. Scheme No. 3, Final Plot No. 377 and 375, Sub Plot No. 14, Gurunanak Nagar, Bhavani Peth, Pune – 411042	Office Premises	The Leave and License agreement is for a period of 60 months and valid until June 14, 2029.	Rs. 37,500/- (for the 15 days of June, 2024) Rs. 75,000/- (for 01.07.2024 to 30.06.2025) Rs.78,750/- (for 01.07.2025 to 30.06.2026) Rs.82,687/- (for 01.07.2026 to 30.06.2027)	Leave and License from Mr. Chetan G Nirgulkar and Mrs. Asmi Chetan Nirgulkar

				Rs.86,822/- (for 01.07.2027 to 30.06.2028) Rs.91,163/- (for 01.07.2028 to 31.05.2029) Rs.45,581/- (for 01.06.2029 to 14.06.2029)	

OUR MANAGEMENT

Brief Profile of Directors:

1. **Sachin Vinod Gandhi** aged 41 years is the Chairman and Managing Director and Promoter of our Company. He has an overall experience of around 19 years in the renting of road construction equipment and trading and refurbishment of the equipment. He has completed B.com from University of Pune, in the year 2004. He has played a pivotal role in business planning and development along with the overall management of the Company.

2. **Chetan Vinod Gandhi** aged 37 years is the Whole-Time Director and Promoter of our Company. He has an overall experience of around 14 years in the renting of road construction equipment and trading and refurbishment of the equipment with a strong focus on market trends, client relations, and operational efficiency. He has completed Master in Business Administration with a specialization in Marketing Management, from University of Pune in the year 2009. He diligently manages refurbishment activities, spearheads sales strategies, and provides leadership to our office team, ensuring cohesion and efficiency across all departments. His strategic vision, and exceptional interpersonal skills, have been instrumental in driving our Company towards sustainable growth and success.

3. **Sameer Sanjay Gandhi** aged 33 years is the Whole-Time Director and Promoter of our Company. He has an overall experience of around 13 years in renting, trading, and refurbishing road construction equipment, with comprehensive expertise in equipment sourcing, and maintenance. He has completed B.com from University of Pune, in the year 2010. He is entrusted with responsibilities including renting and sales planning, where his strategic acumen and approach drive our business towards its objectives. His decision-making and commitment to delivering results have significantly contributed to our Company's success and growth.

4. **Kamlesh Popatlal Bhandari** aged 39 years is the Non-Executive Director of the Company. He has an overall experience of 20 years in trading and souring of sugar, dry coconut powder and construction materials. He has completed his secondary school from Maharashtra State Board, in the year 2001.

5. **Akash Manohar Phatak** aged 55 years is the Independent Director of the Company. He has completed Bachelor of Chemical Engineering from University of Pune, in the year 1996. He has an experience of 30 years in the chemical industry.

6. **Anjali Vikas Sapkal** aged 48 years is the Independent Director of the Company. She has completed Postgraduate program in Financial Management from Welingkar Institute of Management in the year 2020. She has an overall experience of 20 years in the field of Quality Management System specializing in designing, and implementing management systems.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD ENDED NOVEMBER 30, 2023

Restated profit after tax:

There has been the notable shift in our revenue composition towards Revenue from Rental services, which have higher profit margins compared to revenue From Trading and Refurbishment. In Stub Period, revenue from rental services has accounted for 50.74% of our total revenue from operations which was 32.66% of total revenue from operations in FY 23. The company made substantial capital expenditure towards purchase of new fleet of equipment during FY 23 which helped to expand the operations from rental services with higher and efficient fleet of equipment available for deployment. Further there was substantial increase in Profit on sale of fixed assets which increased by 18.53% from Rs 888.60 lakhs in FY 23 to Rs. 1,053.28 lakhs during stub period ended on November 30, 2023.

The higher margins associated with our services have played a crucial role in boosting our overall profitability. Services, by their nature, generally require lower variable costs and benefit from economies of scale, leading to significantly higher profit margins compared to the sale of goods. As a result, the increased share of services in our revenue mix has positively impacted our bottom line, leading to an increase in PAT for the stub period

FINANCIAL YEAR 2023 COMPARED TO FINANCIAL YEAR 2022

Total Income:

The Total Income from FY 22 to FY 23 increased slightly by 20.91% from Rs 30,510.16 lakhs in FY 22 to Rs 36,889.54 lakhs in FY 23. The main reason for increase in Total income is due to increase in Revenue from Trading & Refurbishment Products by 12.11% from Rs. 21,611.18 lakhs in FY 22 to Rs. 24,228.04 lakhs in FY 23. Further the Revenue from Rental Services increased by 49.79% from Rs 7,846.24 lakhs in FY 22 to Rs. 11,752.77 lakhs in FY 23. During FY 2023, the company made substantial Capital Expenditure of Rs 10,323.31 lakhs in the form of addition of new fleet of equipment. While this investment also resulted in higher depreciation expenses. The new machinery and equipment, while essential for our growth, have contributed significantly to the depreciation charge for the year. Depreciation expenses for FY 22 was 7.19% of the Total Income and the same increased to 9.12% of the Total Income for FY 23 which had a direct impact on the profitability.

Restated profit after tax:

The PAT margin for FY 22 was 3.04% in FY 22 and the same decreased slightly to 2.49% in FY 23. However, there was no substantial decrease in the Profit After Tax in absolute terms which was Rs 927.88 lakhs in FY 22 as compared to Rs 918.85 lakhs in FY 23.

FINANCIAL YEAR 2022 COMPARED TO FINANCIAL YEAR 2021

Total Income:

The Total Income from FY 21 to FY 22 increased by 86.23% from Rs 15,817.74 lakhs in FY 21 to Rs 29,457.43 lakhs in FY 22. The main reason for increase in Total income is majorly due to increase in Revenue from Trading & Refurbishment Products by 127.84% from Rs. 9,485.10 lakhs in FY 21 to Rs. 21,611.18 lakhs in FY 22. Further the Revenue from Rental Services increased by 23.90% from Rs 6,332.63 lakhs in FY 21 to Rs. 7,846.24 lakhs in FY 22. Moreover, the company the Other income of the company also increased like: Interest income on FD, Duty Drawback, Discount Received, Scrap Sale, Export Incentive/MEIS Incentive. Further there was substantial increase in Profit on sale of fixed assets which increased by 23.90% from Rs 6,332.63 lakhs in FY 21 to Rs. 7,846.24 lakhs in FY 22.

Restated profit after tax:

The PAT margin for FY 21 was 3.16% and the same for FY 22 was 3.04%. Accordingly, there was no major variation in PAT margin in FY 21 and FY 22. The Profit After Tax increased in absolute terms in FY 22 to Rs 927.88 lakhs from Rs 514.17 lakhs in FY 21 due to increase in volume of overall business and Total Income thereof.

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, 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 is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Sachin Vinod Gandhi Chairman & Managing Director DIN: 09857165	Sd/-

Date: August 13, 2024
Place: Pune, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, 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 is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Chetan Vinod Gandhi Whole Time Director DIN: 09857164	Sd/-

Date: August 13, 2024
Place: Pune, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, 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 is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Sameer Sanjay Gandhi Whole Time Director DIN: 09857166	Sd/-

Date: August 13, 2024
Place: Pune, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, 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 is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Kamlesh Popatlal Bhandari Non-Executive Director DIN: 10531914	Sd/-

Date: August 13, 2024
Place: Pune, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, 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 is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Akash Manohar Phatak Independent Director DIN: 09288697	Sd/-

Date: August 13, 2024
Place: Pune, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, 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 is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Anjali Vikas Sapkal Independent Director DIN: 02136528	Sd/-

Date: August 13, 2024
Place: Pune, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, 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 is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Name and Designation	Signature
Nilesh Prakash Pokharna Chief Financial Officer	Sd/-

Date: August 13, 2024
Place: Pune, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, 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 is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum are true and correct.

SIGNED BY THE COMPANY SECRETARY OF OUR COMPANY:

Name and Designation	Signature
Dipali Rakesh Shah Company Secretary & Compliance Officer M. No.: A39027	Sd/-

Date: August 13, 2024
Place: Pune, Maharashtra