

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS ANNOUNCEMENT. THIS DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES. THIS PUBLIC ANNOUNCEMENT IS NOT INTENDED FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY OUTSIDE INDIA.



TRANSTEEL SEATING TECHNOLOGIES LIMITED



Our Company was originally incorporated on February 08, 1995 as a Private Limited Company as "Transteel Seating Technologies Private Limited" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Karnataka, Bangalore. Later in the year 2022, pursuant to a Special Resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on November 04, 2022, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to "Transteel Seating Technologies Limited" and a Fresh Certificate of Incorporation consequent to Conversion was issued on April 19, 2023 by the Registrar of Companies, Bangalore. The Corporate Identification Number of our Company is U36109KA1995PLC017137, please refer to section titled "Our History and Certain Other Corporate Matters" beginning on page 124 of this Red Herring Prospectus.

Registered office: No. 28, 4th Main, Industrial Suburb, Yeshwanthpur, Bangalore- 560022, Karnataka, India

Contact Person: Mr. Abhishek Lohia, Company Secretary and Compliance Officer

Tel No: +91 80953 46346; E-mail: info@transteel.com; Website: www.transteel.com

CIN: U36109KA1995PLC017137

OUR PROMOTERS: MR. SHIRAZ IBRAHIM AND MS. NASREEN SHIRAZ

THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER IX OF THE SEBI ICDR REGULATIONS (IPO OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE / NSE EMERGE).

THE ISSUE

PUBLIC ISSUE OF UPTO 71,40,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH ("EQUITY SHARES") OF TRANSTEEL SEATING TECHNOLOGIES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING TO ₹ [●] LAKHS ("THE OFFER") COMPRISING A FRESH ISSUE OF UP TO 67,84,000 EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ [●] LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 3,56,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS ("THE OFFER FOR SALE"), BY MS. NASREEN SHIRAZ ("PROMOTER SELLING SHAREHOLDER"). THE OFFER SHALL CONSTITUTE 35.38 % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE OFFER INCLUDES A RESERVATION OF UPTO 7,14,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. NET OFFER OF UPTO 64,26,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (THE "NET OFFER").

- QIB PORTION: NOT MORE THAN 50.00% OF THE NET ISSUE
- RETAIL PORTION: NOT LESS THAN 35.00% OF THE NET ISSUE
- NON-INSTITUTIONAL PORTION: NOT LESS THAN 15.00% OF THE NET ISSUE
- MARKET MAKER PORTION: 10.00 % OF THE ISSUE

PRICE BAND: ₹ 67/- TO ₹ 70/- PER EQUITY SHARE OF FACE VALUE ₹ 10/- EACH.

THE FLOOR PRICE IS 6.7 TIMES OF THE FACE VALUE AND

THE CAP PRICE IS 7.0 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

BIDS CAN BE MADE FOR A MINIMUM OF 2,000 EQUITY SHARES AND IN MULTIPLES OF 2,000 EQUITY SHARES THEREAFTER.

RISKS TO INVESTORS:

- Our product is subject to frequently changing designs, patterns, customer requirements and tastes, our inability to meet such needs or preferences may affect our business.
- Average cost of acquisition of Equity Shares held by our Promoters Mr. Shiraz Ibrahim and Ms. Nasreen Shiraz-Promoter Selling Shareholder is ₹11.44 and 3.79 respectively per Equity Share and the Issue Price at the upper end of the Price Band is ₹70/- per Equity Share.
- Weighted Average Return on Net worth for Fiscals 2023, 2022 and, 2021 is 27.09%

BASIS FOR ISSUE PRICE

The Price Band will be determined by our Company in consultation with the BRLMs, and the Issue Price will be determined by our Company in consultation with the BRLM, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10/- each, the Issue Price is 6.7 times the face value at the lower end of the Price Band and 7.0 times the face value at the higher end of the Price Band. Investors should refer to "Risk Factors", "Our Business", "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 31, 107, 154 and 155, respectively of the Red Herring Prospectus, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue Price are:

- Experienced Promoters.
- Sales, Marketing and Distribution Capabilities
- Brand Positioning
- Quality Assurance & Control

For further details, please refer chapters titled "Risk Factors" and "Our Business" beginning on Page Nos. 31 and 107, respectively of Red Herring Prospectus.

Quantitative Factors

Some of the information presented in this chapter is derived from the Restated Financial Information. For further information, see "Financial Information" beginning on page 154 of the Red Herring Prospectus.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic Earnings and Diluted Earnings per Equity Share (EPS) as per Accounting Standard 20:

As per Restated Financial Statements (Post-Bonus)

Sr. No	Period	Basic & Diluted (₹)	Weights
1.	March 31, 2021	0.01	1
2.	March 31, 2022	1.19	2
3.	March 31, 2023	6.80	3
	Weighted Average	3.80	
	For the period from April 01, 2023 to September 30, 2023 (Not annualized)	3.12	-

Notes:

1. The ratios have been computed as below:

- Basic EPS is calculated as Profit/(loss) for the year/period attributable to owners of parent divided by the adjusted weighted average number basic equity shares outstanding during the year/period.
- Diluted EPS is calculated as Profit/(loss) for the year/period attributable to owners of parent divided by the adjusted weighted average number of adjusted diluted equity shares outstanding during the year/period.

2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ 67.00 to ₹ 70.00 per Equity Share of Face Value of ₹10/- each fully paid up:

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
Based on Basic and Diluted EPS	0.41	0.43
Based on Weighted Average EPS	0.22	0.23

3. Average Return on Net worth (RoNW)*

Sr. No	Period	RoNW (%)	Weights
1.	March 31, 2021	0.40	1
2.	March 31, 2022	25.26	2
3.	March 31, 2023	37.21	3
	Weighted Average	27.09	
	For the period from April 01, 2023 to September 30, 2023 (Not annualized)	14.60	-

Notes: The RoNW has been computed by dividing net profit after tax (as restated), by Net worth (as restated) as at the end of the year.

Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account. It may be noted that equity component of financial instruments is excluded while calculating Net worth of the Company.

4. Net Asset Value (NAV) per Equity Share:

As per Restated Financial Statements – Post-Bonus

Sr. No	Particulars	On the basis of Restated Financial Statements (₹)
a)	As on March 31, 2021	3.52
b)	As on March 31, 2022	4.71
c)	As on March 31, 2023	18.28
d)	For the Period from April 01, 2023 to September 30, 2023 (Not annualized)	21.36
e)	Net Asset Value per Equity Share after the Issue at Issue Price	[●]
f)	Issue Price*	[●]

Notes:

- NAV has been calculated as Net worth divided by number of Equity Shares at the end of the year.
- Net asset value per equity share = net worth attributable to the owners of the parent as at the end of the year/period divided by adjusted number of equity shares outstanding as at the end of year/period.
- Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of statement of profit and loss, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off and noncontrolling interest, as per the Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- Net Worth and the number of equity shares as at the end of the year/period have been adjusted to give effect to the consequent increase in share capital on the assumption that options outstanding to subscribe for additional equity capital (i.e. outstanding share warrants and employee stock options), wherever applicable, were exercised in the respective financial year/period. The computation considering aforementioned effects has been carried out in accordance with the requirements of SEBI ICDR Regulations and therefore the net worth and the number of equity shares outstanding as at the end of the year/period has not been derived from Restated Financial Information.
- Offer Price per Equity Share will be determined by our Company and Selling Shareholder in consultation with the Book Running Lead Managers, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process, and is justified in view of the above qualitative and quantitative.

5. Comparison with Listed Industry Peer:

Particulars	CMP*	EPS (₹)	PE Ratio	RONW (%)	NAV (₹)	Face Value (₹)	Revenue from Operations (₹ in Lakh)
Transteel Seating Technologies Limited	[●]	6.80	[●]	37.21	18.28	10.00	5,947.95
PeerGroup**							
Seasons Furnishing Limited	4.04	0.35	11.54	(40.95)		10.00	751.20
Shashwat Furnishing Solutions Limited	33.01	1.04	31.73	5.44		10.00	456.80

Note: (i) The figures of Transteel Seating Technologies Limited are based on financial statements as restated as on March 31, 2023.

(ii) Considering the nature and size of business of the Company, the peers are not strictly comparable. However same have been included for broad comparison.

(iii) Current Market Price (CMP) is the closing price of peer group scrips as on October 21, 2023. 93

(iv) The figures for the peer group are based on the standalone audited financials for the year ended March 31, 2023 as the unaudited financial results for September 30, 2023 are not available yet.

6. The Issue price is [●] times of the face value of the Equity Shares.

The Issue Price is [●] times of the face value of the Equity Shares. The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholder in consultation with the BRLMs, on the basis of assessment of demand from investors for Equity Shares through the book building process and, is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with "Risk Factors", "Our Business", "Management Discussion and Analysis of Financial Position and Results of Operations" and "Financial Information" on pages 31, 107, 155 and 154 respectively of the Red Herring Prospectus.

For further details, please see the chapter titled "Basis for Issue Price" beginning on page 90 of the RHP.

BID / ISSUE PROGRAM

ANCHOR INVESTOR BIDDING DATE: FRIDAY OCTOBER 27, 2023⁽¹⁾

BID/ISSUE OPENS ON: MONDAY, OCTOBER 30, 2023⁽¹⁾

BID/ISSUE CLOSING ON: WEDNESDAY, NOVEMBER 01, 2023⁽¹⁾

Subject to finalization of the Basis of Allotment

(1) The Company and the selling shareholder may in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

(2) Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

(3) UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

(Continued next page...)