



(Please scan this QR Code to view the Red Herring Prospectus)



**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
Corporate Identification Number: U36109KA1995PLC017137

Registered Office	Contact Person	Email and Telephone	Website
No. 28, 4th Main, Industrial Suburb, Yeshwanthpur, Bangalore- 560022, Karnataka, India.	Mr. Abhishek Lohia Company Secretary and Compliance Officer	Email Id: info@transteel.com Tel No: +91 80953 46346	www.transteel.com

**PROMOTERS OF THE COMPANY: MR. SHIRAZ IBRAHIM AND MS. NASREEN SHIRAZ**

**DETAILS OF THE ISSUE**

Type	Fresh Issue Size (In ₹ Lakhs)	OFS Size (In ₹ Lakhs)	Total Issue Size (In ₹ Lakhs)	Eligibility
Fresh Issue and Offer for Sale	Up to 67,84,000* Equity Shares for cash at price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) ("Offer Price") aggregating up to ₹ [●] Lakhs (the "Offer").	Up to 3,56,000* Equity Shares aggregating up to ₹ [●] Lakhs by Nasreen Shiraz ("Promoter Selling Shareholder")	Up to ₹ [●] Lakhs	<b>THIS ISSUE IS BEING MADE IN TERMS OF REGULATION 229 (2) AND 253(1) OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED. FOR DETAILS IN RELATION TO ISSUE ALLOCATION, PLEASE SEE "ISSUE STRUCTURE" ON PAGE 206 OF THIS RED HERRING PROSPECTUS.</b>

**DETAILS OF OFFER FOR SALE**

NAME OF SELLING SHARE HOLDER	TYPE	NUMBER OF SHARE OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹) ^
Ms. Nasreen Shiraz	Promoter Selling Shareholder	Upto 3,56,000	NIL

^ As certified by M/s Gupta Agarwal & Associates Chartered Accountants vide certificate dated June 22, 2023

**RISK IN RELATION TO THE FIRST OFFER**

This being the first public Issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of Equity Shares is ₹10.00 each and the Offer Price is [●] times of the face value of the Equity Shares. The Offer Price determined and justified by our Company, the Selling Shareholder in consultation with the Book Running Lead Managers on the basis of the assessment of market demand for the Equity Shares by way of the Book-Building Process, in accordance with the SEBI ICDR Regulations, and as stated in chapter titled "Basis for Offer Price" on page 90 of this Red Herring Prospectus, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and / or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of our Company and the offer, including the risks involved. The Equity Shares in the offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 31 of this Red Herring Prospectus.

**COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, The Selling Shareholder severally, and not jointly, accepts responsibility for and confirms that the statements specifically made or confirmed by such Selling Shareholder in this Red Herring Prospectus to the extent of information specifically pertaining to it and/or its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Selling Shareholder assumes no responsibility for any other statement in this Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or our Company's business or any other Selling Shareholders.

**LISTING**

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received "In-Principle" approval from the NSE Emerge for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated September 11, 2023 letter no NSE/LIST/2454. For the purpose of this Issue, the Designated Stock Exchange will be the NSE Emerge.

**BOOK RUNNING LEAD MANAGERS TO THE OFFER**

Name and Logo	Contact Person	Email & Telephone
 <b>GRETEX CORPORATE SERVICES LIMITED</b>	Ms. Dimple Magharam Slun / Ms. Rashmi Ranjan	Email: info@gretexgroup.com Tel No.: +91 96532 49863
 <b>PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED</b>	Ms. Bharti Ranga/ Ms. Punam Thadeshwar	Email: ipo@pantomathgroup.com Tel: +91 22 6194 6700

**REGISTRAR TO THE OFFER**

Name and Logo	Contact Person	Email & Telephone
 <b>BIGSHARE SERVICES PRIVATE LIMITED</b>	Mr. Asif Sayyed	Email: ipo@bigshareonline.com Tel: +91 22 6263 8200

**OFFER PROGRAMME**

<b>ANCHOR INVESTOR BIB/ OFFER PERIOD</b>	<b>Friday, October 27, 2023<sup>(1)</sup></b>
<b>OFFER OPENS ON</b>	<b>Monday, October 30, 2023<sup>(1)</sup></b>
<b>OFFER CLOSES ON</b>	<b>Wednesday, November 01, 2023<sup>(2) (3)</sup></b>

\* Subject to finalization of the Basis of Allotment

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

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**

Corporate Identification Number: U36109KA1995PLC017137

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, 4<sup>th</sup> Main, Industrial Suburb, Yeshwanthpur, Bangalore- 560022, Karnataka, India.

Contact Person: Mr. Abhishek Lohia, Company Secretary and Compliance Officer Email Id: info@transteel.com; Tel No: +91 80953 46346; Website: www.transteel.com

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

**DETAILS OF THE OFFER**

**INITIAL PUBLIC OFFER 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"). THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ENGLISH EDITION OF FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND HINDI EDITION OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER), AND BANGALORE EDITION OF UDAYKALA KARNATAKA, A KANNADA REGIONAL NEWSPAPER (KANNADA BEING THE REGIONAL LANGUAGE OF BANGALORE WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE.**

**\*Assuming full subscription**

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recorded in writing extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLMS and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank.

The offer is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" beginning on page 210 of this Red Herring Prospectus.

**RISK IN RELATION TO THE FIRST OFFER**

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of Equity Shares is ₹10.00 each and the Offer Price is [●] times of the face value of the Equity Shares. The Offer Price determined and justified by our Company, the Selling Shareholder in consultation with the Book Running Lead Managers on the basis of the assessment of market demand for the Equity Shares by way of the Book-Building Process, in accordance with the SEBI ICDR Regulations, and as stated in chapter titled "Basis for Offer Price" on page 90 of this Red Herring Prospectus, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of our Company and the offer, including the risks involved. The Equity Shares in the offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 31 of this Red Herring Prospectus.




**COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, The Selling Shareholder severally, and not jointly, accepts responsibility for and confirms that the statements specifically made or confirmed by such Selling Shareholder in this Red Herring Prospectus to the extent of information specifically pertaining to it and/or its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Selling Shareholder assumes no responsibility for any other statement in this Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or our Company's business or any other Selling Shareholders.

**LISTING**

The Equity Shares Offered through this Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Offer, the Designated Stock Exchange will be the NSE Emerge.

**BOOK RUNNING LEAD MANAGERS TO THE OFFER****REGISTRAR TO THE OFFER**

 <p><b>GRETEX CORPORATE SERVICES LIMITED</b> A-401, Floor 4th, Plot FP-616, (PT), Naman Midtown, Senapati Bapat Marg, Near Indiabulls Dadar (W), S V S Marg, Mumbai- 400028, Maharashtra, India. Tel No.: +91 96532 49863 Email: info@gretexgroup.com Website: www.gretexcorporate.com Contact Person: Ms. Dimple Magharam Slun / Ms. Rashmi Ranjan SEBI Registration No: INM000012177</p>	 <p><b>PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED</b> Pantomath Nucleus House, Saki-Vihar Road, Andheri (East)- 400072, Mumbai, Maharashtra, India. Tel: +91-22 6194 6700, Email and Investor Grievance Id: ipo@pantomathgroup.com Website: www.pantomathgroup.com Contact Person: Ms. Bharti Ranga/ Ms. Punam Thadeshwar SEBI Registration No: INM000012110</p>	 <p><b>BIGSHARE SERVICES PRIVATE LIMITED</b> S6-2, 6<sup>th</sup> Pinnacle Business Park, Mahakali Caves Road, next to Ahura Centre, Andheri East, Mumbai- 400093, Maharashtra, India Tel No.: +91 - 22 - 6263 8200; Fax No.: +91 - 22 - 6263 8299 E-mail: ipo@bigshareonline.com Investor Grievance E-mail: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Asif Sayyed SEBI Registration No.: INR000001385</p>
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**OFFER PROGRAMME**

<b>ANCHOR INVESTOR BIB/ OFFER PERIOD</b>	<b>Friday, October 27, 2023<sup>(1)</sup></b>
<b>OFFER OPENS ON</b>	<b>Monday, October 30, 2023<sup>(1)</sup></b>
<b>OFFER CLOSES ON</b>	<b>Wednesday, November 01, 2023<sup>(2)(3)</sup></b>

\* 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.

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies, as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Red Herring Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI (ICDR) Regulations, the SCRA, the Listing Regulations, the Depositories Act or the Rules and Regulations made thereunder.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Possible Tax Benefits”, “Financial Statements as Restated”, “Main Provisions of Articles of Association”, “Basis for Issue Price”, “Our History and Certain Corporate Matters”, “Other Regulatory and Statutory Disclosures” and “Outstanding Litigations and Material Developments” on pages 90, 154, 244, 90, 124, 187 and 176 respectively, shall have the meaning ascribed to such terms in the relevant section.*

#### **GENERAL TERMS**

Term	Description
“Transteel Seating Technologies Limited”, “Transteel”, “We” or “us” or “Our Company” or “the Issuer”	Unless the context otherwise indicates or implies, refers to Transteel Seating Technologies Limited, a Public Limited Company incorporated as a Private Limited company under the Companies Act, 1956 and having its Registered Office at No. 28, 4 <sup>th</sup> Main, Industrial Suburb, Yeshwanthpur, Bangalore- 560022, Karnataka, India.
Promoter(s) / Promoter	The promoters of our Company being Mr. Shiraz Ibrahim and Ms. Nasreen Shiraz, for further details, please refer to chapter titled “ <b><i>Our Promoters and Promoter Group</i></b> ” on page 147 of this Red Herring Prospectus.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “ <b><i>Our Promoters and Promoter Group</i></b> ” on page 147 of this Red Herring Prospectus.

#### **COMPANY AND SELLING SHAREHOLDER RELATED TERMS**

Term	Description
AOA / Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Transteel Seating Technologies Limited, as amended from time to time.
Audit Committee	Audit Committee of our Company constituted in accordance Section 177 of the Companies Act, 2013 and as described in the chapter titled “ <b><i>Our Management</i></b> ” beginning on page 127 of this Red Herring Prospectus.
Auditor of our Company / Statutory Auditor	The Statutory Auditors of our Company, being M/s Gupta Agarwal & Associates Chartered Accountants holding a valid peer review certificate as mentioned in the section titled “ <b><i>General Information</i></b> ” beginning on page 51 of this Red Herring Prospectus.
Banker to our Company	ICICI Bank Limited as disclosed in the section titled “ <b><i>General Information</i></b> ” beginning on page 51 of this Red Herring Prospectus.
Board / Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our directors, please refer to chapter titled “ <b><i>Our Management</i></b> ” beginning on page 127 of this Red Herring Prospectus.
CIN / Corporate Identification Number	U36109KA1995PLC017137
Chief Financial Officer / CFO	The Chief Financial Officer of our Company as mentioned in the chapter titled “ <b><i>General Information</i></b> ” beginning on page 51 of this Red Herring Prospectus.
Company Secretary & Compliance Officer	The Company Secretary and Compliance Officer of our Company as mentioned in the chapter titled “ <b><i>General Information</i></b> ” beginning on page 51 of this Red Herring Prospectus.



Term	Description
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, 2013 as described in chapter titled “ <i>Our Management</i> ” beginning on page 127 of this Red Herring Prospectus.
Director(s) / our Directors	Director(s) of our company unless otherwise specified
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Equity Shares / Shares	The equity shares of our Company of face value of ₹10.00 each unless otherwise specified in the context thereof.
Equity Shareholders / Shareholders	Persons / Entities holding Equity Shares of the Company
Executive Directors	An Executive Director of our Company, as appointed from time to time
Financial Statements as Restated	The financial information of the Company which comprises of the Restated Statement of Assets and Liabilities for the period ended on September 30, 2023 and Financial Years ended on March 31, 2023, March 31, 2022 and 2021, the Restated Statement of Profit and Loss and the Restated Cash Flow Statement for the period ended on September 30, 2023 and Financial Years ended on March 31, 2023, March 31, 2022 and 2021, together with the cash flow statement, significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI, as amended from time to time.
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
Group Companies / Entities	Such companies / entities as covered under the applicable accounting standards and such other companies as considered material by the Board. For details of our Group Companies / entities, please refer “ <i>Our Group Companies</i> ” on page 151 of this Red Herring Prospectus.
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IBC	The Insolvency and Bankruptcy Code, 2016
Indian GAAP	Generally Accepted Accounting Principles in India.
Independent Directors	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer chapter titled “ <i>Our Management</i> ” beginning on page 127 of this Red Herring Prospectus.
Internal Complaints Committee	The Internal Complaints Committee of our Board constituted in accordance with the Companies Act, 2013 as described in chapter titled “ <i>Our Management</i> ” beginning on page 127 of this Red Herring Prospectus.
ISIN	International Securities Identification Number, being INE0NVI01020
IT Act	The Income Tax Act, 1961 as amended till date.
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
Key Management Personnel / KMP	Key Managerial Personnel of our Company in terms of the Companies Act, 2013 and Regulation 2(1) (bb) of the SEBI (ICDR) Regulations 2018 and Section 2(51) of the Companies Act, 2013. For details, see section entitled “ <i>Our Management</i> ” beginning on page 127 of this Red Herring Prospectus.
Key Performance Indicators / KPI	Key factors that determines the performance of our Company
LLP	Limited Liability Partnership incorporated under Limited Liability Partnership Act, 2008.
MD or Managing Director	The Managing Director of our Company is Mr. Shiraz Ibrahim
Materiality Policy	The policy on identification of Group Companies, Material Creditors and Material Litigation, adopted by our Board on May 18, 2023 in accordance with the requirements of the SEBI (ICDR) Regulations.
MoA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Non-Executive Director	The non-executive directors (other than the Independent Directors) of our Company in terms of the Companies Act, and the rules thereunder. For details, see section titled “ <i>Our Management</i> ” on page 127 of this Red Herring Prospectus.

Term	Description
NRI/ Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Nomination & Remuneration Committee	The Nomination and Remuneration Committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013, as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 127 of this Red Herring Prospectus.
Peer Reviewed Auditors	M/s Gupta Agarwal & Associates Chartered Accountants (FRN 329001E), having their office at Imax Lohia Square, 23, Gangadhar Babu Lane, 3 <sup>rd</sup> Floor, Room No. 3A, Kolkata – 700012, West Bengal, India.
Promoter(s)	Promoters of our Company is Mr. Shiraz Ibrahim and Ms. Nasreen Shiraz. For further details, please refer to section titled “ <i>Our Promoters &amp; Promoter Group</i> ” on page 147 of this Red Herring Prospectus.
Promoter Group	The entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see “ <i>Our Promoters and Promoter Group</i> ” on page 147 of this Red Herring Prospectus.
Person / Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Registered Office	The Registered Office of our Company situated at No. 28, 4 <sup>th</sup> Main, Industrial Suburb, Yeshwanthpur, Bangalore- 560022, Karnataka, India.
RoC / Registrar of Companies	Registrar of Companies, Bangalore situated at Registrar of Companies, E Wing, 2 <sup>nd</sup> Floor, Kendriya Sadan, Kormangala, Bengaluru-560034, Karnataka, India.
Senior Management Personnel/ SMP	Senior management of our Company in terms of the SEBI ICDR Regulations. For details, see “ <i>Our Management</i> ” on page 127 of this Red Herring Prospectus.
Selling Shareholder	Selling Shareholder being Ms. Nasreen Shiraz
Stakeholders’ Relationship Committee	The Stakeholder’s Relationship Committee of our Company constituted in accordance with Section 178 of Companies Act, 2013 and as described under the chapter titled “ <i>Our Management</i> ” beginning on page 127 of this Red Herring Prospectus.
Stock Exchange	Unless the context requires otherwise, refers to, the Emerge Platform of National Stock Exchange Limited (“NSE Emerge”).
Wilful Defaulter or Fraudulent Borrower	A wilful defaulter or a fraudulent borrower as defined in Regulation 2(1) (III) of the SEBI ICDR Regulations.
You or Your or Yours	Prospective Investors in this Issue.

## ISSUE RELATED TERMS

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allocation / Allocation of Equity Shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue.
Allot / Allotment / Allotted / Allotment of Equity shares	Unless the context otherwise requires, allotment or transfer, as the case may be of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholder pursuant to the Offer for Sale to the successful Applicants
Allottee(s)	A successful Applicant(s) to whom the Equity Shares are being / have been allotted
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200.00 Lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/ Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus.

Term	Description
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Managers.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form.
Application	An indication to make an application during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company.
Application Supported by Blocked Amount / ASBA	An application whether physical or electronic, used by ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include amounts blocked by RIIs using the UPI mechanism.
ASBA Account	A bank account maintained with an SCSB and specified in the Application Form submitted by the Applicants or the account of the RII Applicants blocked upon acceptance of UPI Mandate Request by RIIs using the UPI mechanism, to the extent of the Application Amount specified by the Applicant.
ASBA Applicant(s)	Any prospective investors in the Issue who intend to submit the Application through the ASBA process
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus.
Bankers to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled titled “ <b>General Information</b> ” on page no. 51 of this Red Herring Prospectus.
Bankers to the Issue / Refund Banker	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being ICICI Bank Limited.
Banker to the Offer Agreement	Agreement dated October 18, 2023 entered into amongst the Company, the selling shareholder, Book Running Lead Managers, Registrar to the offer, Syndicate Member and the Banker to the offer.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in “ <b>Issue Procedure</b> ” on page 210 of this Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in in all editions of the English Edition of Financial



Term	Description
	Express (A Widely Circulated English National Daily Newspaper) and Hindi Edition of Jansatta (A Widely Circulated Hindi National Daily Newspaper), and Bangalore Edition of Udaykala Karnataka, A Kannada Regional Newspaper (Kannada being the Regional Language of Bangalore where our Registered Office is Located) where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB's and Sponsor Bank, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and English Edition of Financial Express (A Widely Circulated English National Daily Newspaper) and Hindi Edition of Jansatta (A Widely Circulated Hindi National Daily Newspaper), and Bangalore Edition of Udaykala Karnataka, A Kannada Regional Newspaper (Kannada being the Regional Language of Bangalore where our Registered Office is Located) where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidder/ Applicant	Any prospective investor who makes a bid pursuant to the terms of the Red Herring Prospectus and the Bid-Cum-Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor.
Bidding	The process of making a Bid.
Book Building Process/ Book Building Method	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
BRLMs / Book Running Lead Managers	Book Running Lead Managers to the Issue in this case being Gretex Corporate Services Limited and Pantomath Capital Advisors Private Limited, SEBI Registered Category I Merchant Bankers.
Bidding/ Collection Centers	Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Broker Centers	Broker centers notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centers, along with the name and contact details of the Registered Brokers, are available on the website of Stock Exchanges (www.bseindia.com and www.nseindia.com ) and are updated from time to time.
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	Confirmation of Allocation Note / the note or advice or intimation of Allotment, sent to each successful Applicant who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.
Circulars of Streamlining of Public Issues/UPI Circulars	SEBI Circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 as amended pursuant to SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 along with circular no. 25/2022 issued by NSE and circular no. 20220803-40 issued by BSE, each

Term	Description
	dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI, Stock Exchanges or any other governmental authority in this regard from time to time.
Client ID	Client identification number of the Applicant's beneficiary account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE.
Collecting Registrar and Share Transfer Agent	Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches / Controlling Branches of the SCSBs.	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Applicants with the Registrar to the Issue and Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Cut Off Price	The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLMs. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details and UPI ID wherever applicable.
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue.
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.  In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
Designated Market Maker / Market Maker	Gretex Share Broking Limited shall be the Market Maker to this offer.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ) and are updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/">http://www.sebi.gov.in/</a> or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange / Stock Exchange	Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge").

Term	Description
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated June 22, 2023 filed with the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) in accordance with the SEBI ICDR Regulations.
DP	Depository Participant
DP ID	Depository Participant’s Identity number
Eligible FPIs	FPIs that are eligible to participate in this offer in terms of applicable laws, other than individuals, corporate bodies and family offices.
Eligible NRI	NRI eligible to invest under the FEMA Regulations, from jurisdictions outside India where it is not unlawful to make an application or invitation to participate in the Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to subscribe for Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit, or RTGS as applicable
Equity Shares	Equity Shares of our company of face value ₹ 10.00 each
Equity Listing Agreement	The listing agreements to be entered into by our Company with the Stock Exchange in relation to our Equity Shares.
Escrow Account(s)	Account(s) opened with the Banker(s) to the Issue pursuant to Escrow and Sponsor Bank Agreement.
Escrow and Sponsor Bank Agreement	Agreement dated October 18, 2023 entered into amongst the Company, Book Running Lead Managers, the Registrar, the Banker to the Issue Syndicate Member and Sponsor bank to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First / Sole Applicant	Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Fresh Issue	Fresh Issue of upto 67,84,000* Equity Shares of face value ₹ 10.00 each of Transteel Seating Technologies Limited for cash at a price of ₹ [●] per Equity Shares (including premium of ₹ [●] per Equity Shares) aggregating ₹ [●] Lakhs, by our Company. <i>*Subject to finalization of Basis of Allotment.</i>
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
Foreign Institutional Investors / FIIs	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
FPI/ Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) page October 23, 2013,

Term	Description
	notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, issued by SEBI. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs.
Gross Proceeds	The Issue proceeds from the Fresh Issue.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the Stock Exchange.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Market Making Agreement	Market Making Agreement dated October 18, 2023 between our Company, the selling shareholder, Book Running Lead Managers, and Market Maker
Market Maker Reservation Portion	Upto 7,14,000* Equity Shares of ₹10.00 each at ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh reserved for subscription by the Market Maker. * <i>Subject to finalization of the Basis of Allotment</i>
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism
Monitoring Agency	CARE Ratings Limited, being a credit rating agency registered with SEBI
Monitoring Agency Agreement	The agreement dated October 21, 2023, entered into between Company and the Monitoring Agency
Minimum Promoters' Contribution	Aggregate of 20% of the fully diluted Post- Issue Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters of 20% and locked-in for a period of three years from the date of Allotment.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the Net QIB Portion, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price
National Payments Corporation of India (NPCI)	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
NSE Emerge	Emerge Platform of National Stock Exchange Limited
National Investment Fund / NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Net Issue	The Issue excluding the Market Maker Reservation Portion is 64,26,000* Equity Shares of face value of ₹10.00 each fully paid up for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating ₹ [●] Lakh by our Company. * <i>Subject to finalization of the Basis of Allotment</i>
Net Proceeds	Proceeds of the Issue that will be available to our Company, which shall be the gross proceeds of the Issue less the Issue expenses.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Non-Institutional Investors / NIIs	All Applicants, including Category III FPIs that are not QIBs or Retail Individual Investors who have made Application for Equity Shares for an amount of more than ₹ 2.00 Lakh (but not including NRIs other than Eligible NRIs).
Non-Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian / NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Offer / Offer Size/ Initial Public Offering/ IPO	The Initial Public Offer upto 71,40,000* Equity Shares of face value of ₹ 10.00 each for a cash price of ₹ [●] each (including a share premium of ₹ [●] each), with



Term	Description
	reservation portion of comprising of the Fresh Issue of up to 67,84,000* Equity Shares aggregating up to ₹ [●] Lakhs and the Offer for Sale 3,56,000* Equity Shares aggregating up to ₹ [●] Lakhs by the Selling Shareholder. <i>*subject to the finalisation of Basis of allotment</i>
Offer Agreement	The agreement dated June 22, 2023, entered into between our Company, the selling shareholder and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue.
Offer for Sale (OFS) / Offered Shares	Upto 3,56,000* Equity Shares at ₹ [●] per share aggregating up to ₹ [●] Lakhs by the Selling Shareholder <i>*subject to the finalisation of Basis of allotment</i>
Offer Price	The price at which the Equity Shares are being offered by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers under this Red Herring Prospectus being ₹ [●] per Equity share.
Offer Proceeds	The proceeds of the offer, which shall be available to our Company. For further information about use of the offer Proceeds, see “ <i>Objects of the offer</i> ” on page 81 of this Red Herring Prospectus.
Offered Shares	The cumulative number of Equity Shares offered by the Selling Shareholder in the Offer for Sale comprising of an aggregate of 3,56,000* Equity Shares at ₹ [●] Lakhs <i>*subject to the finalisation of Basis of allotment</i>
Offer Period	The period between the Offer Opening Date and the Offer Closing Date, inclusive of both days during which prospective bidders can submit their applications, including any revisions thereof
Offer Opening Date	The date on which Offer opens for Subscription being Monday, October 30, 2023
Offer Closing Date	The date on which Offer closes for subscription being Wednesday, November 01, 2023
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
OCB / Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and / or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLMs and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date.
Pricing Date	The date on which our Company and the selling shareholder in consultation with the BRLMs, will finalize the Offer Price.
Prospectus	The Prospectus to be filed with the RoC in accordance with the provisions of Section 26, 28 & 32 of the Companies Act, 2013.
Public Issue Account	The account to be opened with the Banker to the Issue under Section 40 of the Companies Act, 2013 to receive monies from the ASBA Accounts on the Designated Date.
QIB Category/ QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of 32,10,000 Equity Shares aggregating to ₹[●] Lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall



Term	Description
	be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors).
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations, 2018.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto.
Refund Bank/ Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited.
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals.
Registrar Agreement	The Agreement between our Company, the selling shareholder and the Registrar to the Offer dated June 22, 2023 in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited.
Retail Individual Investors / RIIs	Applicants (including HUFs, in the name of Karta and Eligible NRIs) whose Application Amount for Equity Shares in the Issue is not more than ₹ 2.00 Lakh.
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s).  QIB Applicants and Non-Institutional Applicants are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date.
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
Self-Certified Bank(s)/ SCSB(s) Syndicate	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time. In relation to Applications (other than Applications by Anchor Investors) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> ) and updated from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> as updated from time to time. In accordance with SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and April 5, 2022 Circular, UPI Investors may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes</a>

Term	Description
	&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 ) respectively, as updated from time to time.
SEBI (ICDR) Regulations/ ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SME Exchange	Emerge Platform of National Stock Exchange of India Limited
Share Escrow Agreement	Agreement dated October 18, 2023 entered into amongst our Company, the Selling Shareholder and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI (https://www.sebi.gov.in/) and updated from time to time.
Specified Securities	Equity shares offered through this Red Herring Prospectus.
Sub Syndicate Member	A SEBI Registered member of Exchange appointed by the BRLMs and/ or syndicate member to act as a Sub Syndicate Member in the Issue.
Syndicate	Includes the BRLMs, Syndicate Members and Sub Syndicate Members
Syndicate Agreement	The agreement dated October 18, 2023 entered into amongst our Company, the selling shareholder, the BRLMs, the Registrar to the Issue and the Syndicate Member, in relation to the collection of Bids in this Issue.
Syndicate ASBA Bidding Locations	Bidding Centers where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi
Syndicate Members/ Members of the Syndicate	Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being Gretex Share Broking Limited.
Systemically Important Nonbanking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Sponsor Bank	The Banker to the Issue registered with SEBI which is appointed by the issuer to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIIs into the UPI, the Sponsor Bank in this case being ICICI Bank Limited.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
Underwriter (s)	Gretex Corporate Services Limited, Pantomath Capital Advisors Private Limited and Gretex Share Broking Limited
Underwriting Agreement	The agreement dated October 18, 2023 entered into between our Company, the selling shareholder, the Book Running Lead Managers, and Underwriters.
UPI Circulars	SEBI Circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 as amended pursuant to SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 along with circular no. 25/2022 issued by NSE and circular no. 20220803-40 issued by BSE, each dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI, Stock Exchanges or any other governmental authority in this regard from time to time.

Term	Description
UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons bank accounts using a payment address which uniquely identifies a person's bank a/c.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI.
UPI ID Linked bank account	Account of the RIIs, Applicant in the Issue using the UPI mechanism, which will be blocked upon acceptance of UPI Mandate request by RIIs to the extent of the appropriate Application Amount and subsequent debit of funds in case of Allotment.
UPI Investors	Collectively, individual investors applying as (i) Retail Individual Investors in the Retail Portion and (ii) Non-Institutional Applicant with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and application under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agent.  Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an Offer and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund/ VCF	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1) (III) of the SEBI (ICDR) Regulations, 2018.
Working Days	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid / Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid / Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

#### CONVENTIONAL AND GENERAL TERMS

Term	Description
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
ASBA	Applications Supported by Blocked Amount
Authorized Dealers	Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000

<b>Term</b>	<b>Description</b>
Category I Foreign Portfolio Investor(s)	FPIs registered as Category I Foreign Portfolio Investors under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	An FPI registered as a Category II Foreign Portfolio Investor under the SEBI FPI Regulations
Category III Foreign Portfolio Investor(s)	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CGST	Central GST
COPRA	The Consumer Protection Act, 1986
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Contract Act	The Indian Contract Act, 1872
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI
DP	Depository Participant
DP ID	Depository Participant's identity number
DTC	Direct Tax Code, 2013
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EBITDA	EBITDA divided by Revenue from Operations
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Electricity Act	The Electricity Act, 2003
Environment Protection Act	The Environment (Protection) Act, 1986
EPA	The Environment Protection Act, 1986
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
e-RUPI	Prime Minister Narendra Modi launched a contactless, prepaid, electronic prepaid system
ER Act	The Equal Remuneration Act, 1976
ESI Act	The Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations there under
FEMA 2000	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal Year / FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIPB	Foreign Investment Promotion Board
Foreign Portfolio Investor or FPIs	A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAP	Generally Accepted Accounting Principles

<b>Term</b>	<b>Description</b>
GIR Number	General Index Registry Number
GoI / Government	Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST Act	The Central Goods and Services Tax Act, 2017
Hazardous Wastes Rules	Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
ID Act	The Industrial Disputes Act, 1947
IDRA	The Industrial (Development and Regulation) Act, 1951
IE Act	The Indian Easements Act, 1882
IEM	Industrial Entrepreneurs Memorandum
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IGST	Integrated GST
IT Act	Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KMP	Key Managerial Personnel
Ltd.	Limited
Maternity Benefit Act	Maternity Benefit Act, 1961
M. A	Master of Arts
M.B.A	Master of Business Administration
MCA	The Ministry of Corporate Affairs, GoI
M.Com	Master of Commerce
MCI	Ministry of Commerce and Industry, GoI
Mill & Fill	Removing the existing surface layer with a milling machine and then transporting the material to a storage facility
MSME	Micro, Small and Medium Enterprise
MSMED Act	The Micro, Small and Medium Enterprises Development Act, 2006
MWA	Minimum Wages Act, 1948
MoEF	Ministry of Environment and Forests
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Networth	The aggregate value of the paid-up share capital and reserves and surplus of the company less deferred tax assets
NI Act	The Negotiable Instruments Act, 1881
Noise Regulation Rules	The Noise Pollution (Regulation & Control) Rules 2000
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPV	Net Present Value
NR / Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRIs	Non-Resident Indians
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
Pcs	Pieces
P/E Ratio	Price / Earnings Ratio
PAN	Permanent account number
Petroleum Act	Petroleum Act, 1934



<b>Term</b>	<b>Description</b>
Petroleum Rules	Petroleum Rules, 1976
PAT	Profit after Tax
PAT Margin	PAT for the period/year divided by revenue from operations
PIL	Public Interest Litigation
POB Act	Payment of Bonus Act, 1965
PPP	Public Private Partnership
Public Liability Act / PLI Act	The Public Liability Insurance Act, 1991
Pvt. / (P)	Private
PWD	Public Works Department of state governments
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
R&D	Research & Development
Registration Act	The Indian Registration Act, 1908
RoC or Registrar of Companies	The Registrar of Companies
ROCE	Return on Capital Employed
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act, 1933
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
Sec.	Section
SGST	State GST
SHWW / SHWW Act	The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME	Small and Medium Enterprise
STT	Securities Transaction Tax
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
TM Act	The Trademarks Act, 1999
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
US\$ or USD or US Dollars	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
VAT	Value Added Tax
Wages Act	Payment of Wages Act, 1936
Water Act	The Water (Prevention and Control of Pollution) Act, 1974
WCA	The Workmen's Compensation Act, 1923
Wilful Defaulter	A wilful defaulter, as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations, means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India

**TECHNICAL / INDUSTRY RELATED TERMS**

Term	Full Form
CAGR	Compounded Annual Growth Rate
CC	Commencement Certificate
DIPP	Department of Industrial Policy and Promotion
GDP	Gross Domestic Product
GFC	Global financial Crises
KPI	Key Performance Indicators
M&A	Mergers and Acquisitions
MNCs	Multi-National Companies
NCAER	National Council of Applied Economic Research
OTC	Over the Counter
PE	Private Equity

**ABBREVIATIONS**

Abbreviation	Full Form
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
Amt	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
BBA	Bachelor of Business Administration
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG / LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit
CCI	The Competition Commission of India
CFO	Chief Financial Officer
CGST	Central GST
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CSR	Corporate social responsibility.
CS & CO	Company Secretary & Compliance Officer
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA / ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
Depository or Depositories	NSDL and CDSL
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number

EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPS	Earnings Per Share
EGM / EOGM	Extraordinary General Meeting
NSE Emerge	Emerge Platform of National Stock Exchange India Limited ("NSE Emerge")
ESOP	Employee Stock Option Plan
EXIM / EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non-Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non-Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	"Foreign Portfolio Investor" means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI / Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICAI (Previously known as ICWAI)	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR / ` / Rupees / Rs.	Indian Rupees, the legal currency of the Republic of India
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
HNI	High Net Worth Individual
i.e	That is
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
BRLM(s)	Book Running Lead Manager (s)
Ltd.	Limited
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration

M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
MRP	Maximum Retail Price
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
MSMEs	Micro, Small and medium Enterprises
MoA	Memorandum of Association
MRP	Maximum Retail Price
NA	Not Applicable
Networth	The aggregate of paid-up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRI	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P / E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self-Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SICA	Sick Industrial Companies (Special provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US / United States	United States of America
UPI	Unified Payments Interface as a payment mechanism through National Payments Corporation of India with Application Supported by Block Amount for applications in public issues by retail individual investors through SCSBs
USD / US\$ / \$	United States Dollar, the official currency of the United States of America

VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
VAT	Value Added Tax
w.e.f.	With effect from
YoY	Year over Year

#### KEY PERFORMANCE INDICATORS\*#

Key Performance Indicator	Description
Revenue from operations	Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements
EBITDA	EBITDA is calculated as Profit before tax + Depreciation + Interest Expense - Other Income
EBITDA Margin	EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
PAT	Profit After Tax
PAT Margin	PAT Margin is calculated as PAT for the period/year divided by revenue from operations
Networth	Net worth means the aggregate value of the paid-up share capital and reserves and surplus of the company less deferred tax assets
RoE %	Return on Equity is ratio of Profit after Tax and Shareholder Equity
RoCE%	Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long term borrowings

\* As approved by resolution of Audit Committee of our Board October 19, 2023.

#As certified by M/s Gupta Agarwal & Associates., Chartered Accountants the statutory auditors of our Company pursuant to their certificate dated October 19, 2023.

The words and expressions used but not defined in this Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the "SEBI Act"), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "Main Provisions of the Articles of Association", "**Statement of Special Tax Benefits**", "**Industry Overview**", "**Regulations and Policies in India**", "**Financial Information of the Company**", "**Outstanding Litigations and Material Developments**" and "**Issue Procedure**", will have the meaning ascribed to such terms in these respective sections.



## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION**

In this Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company” and “Transteel”, “TSTL”, unless the context otherwise indicates or implies, refers to Transteel Seating Technologies Limited.

### **CERTAIN CONVENTION**

All references in this Red Herring Prospectus to “India” are to Republic of India and its territories and possessions and references herein to “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable. All references to “U.S.”, “US”, “U.S.A.” or “United States” are to the United States of America and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

### **TIME**

All references to time in this Red Herring Prospectus are to Indian Standard Time. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Red Herring Prospectus are to a calendar year.

### **FINANCIAL DATA**

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our Audited Restated Financial Statements for the period ended on September 30, 2023 and financial years ended on March 31, 2023; 2022 and 2021, together with the cash flow statement, significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI, as amended from time to time which are included in this Red Herring Prospectus, and set out in “*Financial Statements as Restated*” on page 154 of this Red Herring Prospectus.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the two decimal place and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Red Herring Prospectus.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between Indian GAAP and IND (AS). Accordingly, the degree to which the Restated Financial Statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, IND (AS), the Companies Act and the SEBI (ICDR) Regulations, on the Restated Financial Statements presented in this Red Herring Prospectus should accordingly be limited. Although we have included a summary of qualitative and quantitative differences between Indian GAAP and IND (AS), our financial statements reported under IND (AS) in future accounting periods may not be directly comparable with our financial statements historically prepared in accordance with Indian GAAP, including disclosed in this Red Herring Prospectus. You should consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” and elsewhere in this Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Statutory Auditor, set out in the section titled ‘*Financial Statements as Restated*’ beginning on page 154 of this Red Herring Prospectus.

### **CURRENCY AND UNITS OF PRESENTATION**

In this Red Herring Prospectus, unless the context otherwise requires, all references to

- (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India;

(b) ‘US Dollars’ or ‘US \$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America.

All references to the word ‘Lakh’ or ‘Lakhs’, ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakh’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One Thousand Million’.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Red Herring Prospectus, unless otherwise indicated, have been calculated based on our financial statements as restated prepared in accordance with Indian GAAP.

## DEFINITIONS

For definitions, please see the Chapter titled “*Definitions and Abbreviations*” on page no. 4 of this Red Herring Prospectus. In the Section titled “*Main Provisions of Articles of Association*” beginning on page no. 244 of this Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

## INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used throughout this Red Herring Prospectus has been obtained or derived from Internal Company reports and industry and Government publications, publicly available information and sources. Industry and Government publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, our Company believes that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified either by the Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

Further, the extent to which the industry and market data presented in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI (ICDR) Regulations, “*Basis for Issue Price*” on page no. 90 of this Red Herring Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page no. 31 of this Red Herring Prospectus.

## EXCHANGE RATES

This Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI (ICDR) Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	As on September 30, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
1 USD	83.05	82.22	75.81	73.50
Source: <a href="http://www.fbil.org.in">www.fbil.org.in</a>				
1 CNY	11.40	11.96	11.97	11.16
Source: <a href="http://www.rupeerates.in">www.rupeerates.in</a>				

All figures are rounded up to two decimals

## FORWARD LOOKING STATEMENTS

All statements contained in this Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Red Herring Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further, the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the our Sector in India where we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and / or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Performance of the industry in which we operate, generally.
- Impact of the COVID-19 pandemic on our business and operations;
- Geographical concentration of business to key cities
- Significant increases in prices of, or shortages of, or disruption in supply of labor and key building materials;
- Our reliance on internet network and our ability to utilize systems in an uninterrupted manner;
- Our ability to attract, retain and manage qualified personnel;
- Dependencies on our development partners to fulfil their obligations under the respective joint development agreements;
- General economic and business conditions in India and other countries;

For further discussions of factors that could cause our actual results to differ, please see the section titled “**Risk Factors**”, chapters titled “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 31, 107 and 155 of this Red Herring Prospectus, respectively.

Future looking statements speak only as of the date of this Red Herring Prospectus. Neither we, our Directors, the selling shareholder, Book Running Lead Managers, Underwriters nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, selling shareholder in respect of statements/ disclosures made by them in this Red Herring Prospectus with respect to themselves and the Equity Shares offered by them in the Offer shall, severally and not jointly, ensure that investors in India are informed of material developments from the date of this Red Herring Prospectus until the date of Allotment. Only statements and undertakings which are specifically confirmed or undertaken by a Selling Shareholder, as the case may be, in this Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

## SUMMARY OF ISSUE DOCUMENT

The following is a general summary of the terms of the Offer included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including the sections titled “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Our Promoters and Promoter Group”, “Financial Information”, “Outstanding Litigation and Other Material Developments” and “Offer Procedure” on pages 31, 49, 68, 81, 99, 107, 147, 154, 176 and 210, respectively of this Red Herring Prospectus.

### OVERVIEW OF INDUSTRY

#### INDIAN FURNITURE MARKET

The Indian furniture market has traditionally been a largely unorganised one, for long dependent on local carpenters for customised wood-based products. But this trend is changing partly due changing preferences of consumers and partly due to administrative compliance issues. The market was dominated by a large number of small and local manufacturers till recently but as a result of the changing consumer’s preference for quality products along with increased formalisation of the economy due to implementation of GST, organised players’ market share is expanding. Meanwhile, Indian furniture industry has moved beyond living and bed rooms thanks to growing income of middle-class population and their fast changing tastes and preferences. Also, through the decades, the Indian furniture market has progressed. The market has expanded way beyond chairs and tables, including designed interiors such as wardrobes and sofas. With the arrival of MNCs like IKEA, the share of the organised players in the market is expected to expand further.

India is also known for its rich handcraft and appealing traditional art and style which also has had its impact on furniture industry. In fact, the Indian furniture business is noted for its fine craftsmanship, traditional art, and elegance.

The growth of the real estate market coupled with co-working business spaces is also driving the development of the furniture sector. As the Indian economy recovers from the impact of COVID-19, India’s furniture market is on an upward trajectory. In recent years, of course, ignoring the Covid-years, the sentiments are very positive because the consumers have started placing more emphasis on their home, especially with respect to furniture and furnishing. The rise of the middle class, increasing urbanisation and preference for branded products are greatly helping the growth of Indian furniture market.

### OVERVIEW OF BUSINESS

We are a known furniture provider with over 20 years of corporate and B2B experience. Our Company has developed the skill and expertise in making chairs, office furniture and other residential and commercial furniture. Over the years we have continued to focus on what we do well i.e. craft performance oriented Tables and Chairs. Our furniture solutions are a mix of design, value, and ergonomics, which ensure that your back stays in good shape, day after day. We have also developed the in house Technical & Design team to provide turnkey solution and implementation of interior and work space in Commercial, Residential and Educational Institutions. Our aim is to develop creative and innovative Designs in furniture space and to develop techniques to make all products as part of “Make in India” initiative. Our Company’s proficiency lies in understanding the specific requirement of our potential customers and based on which we take the orders and we design according to the client’s requirements and deliver the final product. We provide wide assortment of products, such as Office Chairs and Office Furniture. Our professionals are devoted to develop a product range capable to gain a nationwide interest for its finish, designs, colour combinations, flawless detailing, quality and higher durability.

### OUR PROMOTERS

The Promoters of our company are Mr. Shiraz Ibrahim and Ms. Nasreen Shiraz.

### DETAILS OF THE ISSUE

<b>Offer size<sup>(1)</sup></b>	Up to 71,40,000* Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] Lakhs
<b>Fresh Issue</b>	Fresh Issue of Up to 67,84,000* Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] Lakhs.
<b>Offer for Sale (OFS)<sup>(2)(3)</sup></b>	Upto 3,56,000* Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] Lakhs.

\*Subject to finalisation of Basic of Allotment

**Notes:**

- 1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- 2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on June 19, 2023 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on June 21, 2023.
- 3) The Equity Shares offered by the Selling Shareholder are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. Selling Shareholder have specifically confirmed that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. The value of the Offered Shares and the percentage of the pre-Offer shareholding being offered in the Offer for Sale by each of the Selling Shareholders is set forth below:

Name of Selling Shareholder	Number of shares Offered	Percentage of pre-offer shareholding of Selling Shareholder being offered in Offer for Sale
Ms. Nasreen Shiraz	3,56,000*	2.66 %

\*subject to finalisation of basis of allotment.

The above table summarises the details of the Offer. For further details of the offer, see “The Offer” and “Offer Structure” beginning on pages 49 and 198, respectively.

**OBJECT OF THE ISSUE**

The Net Proceeds of the Issue are proposed to be used in accordance with the details provided in the following table:

Particulars	(₹ in Lakhs)	
	Amount	
Prepayment / Repayment of Existing Debt Facility	665.00	
Purchase of Equipments to Facilitate Manufacturing	1,489.94	
Working Capital Requirements	2,000.00	
General Corporate Purpose*	[●]	
<b>Total</b>	[●]	

\*To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilized for general corporate purposes will not exceed 25% of the Gross Proceeds.

For further details, see “Objects of the Offer” beginning on page 81.

**PRE – ISSUE SHAREHOLDING OF OUR PROMOTERS, PROMOTER GROUP AND SELLING SHAREHOLDER AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY**

Category of Promoter	Pre – Issue		Post – Issue	
	No. of Shares	As a % of paid-up Equity Capital	No. of Shares#	As a % of paid-up Equity Capital#
1. Promoters	1,06,79,590	79.73	1,03,23,590	51.16
2. Promoter Group	23,000	0.17	23,000	0.11

For further details, see “Capital Structure” beginning on page 68

#Assuming Full Subscription

**SUMMARY OF RESTATED FINANCIAL INFORMATION**

Particulars	(₹ in Lakhs)			
	For the period ended on	For the financial year ended on		
		September 30, 2023	March 31, 2023	March 31, 2022
Share Capital	1,339.45	58.24	23.81	23.81
Reserves and surplus	1,521.41	2,385.87	605.91	446.82
Net Worth	2,860.86	2,444.11	629.71	470.63



Total Income	3,133.39	5,961.43	2,806.74	2,287.74
Profit after Tax	417.64	909.36	159.08	(0.59)
Total Borrowings	3,853.15	2,691.10	1,326.75	988.55
<b>Other Financial Information</b>				
Basic & Diluted EPS (₹) (Post Bonus)	3.12	6.80	1.19	0.01
Return on Net worth (%)	14.60%	37.21%	25.26%	0.40%
Net Asset Value Per Share (₹) (Pre-Bonus)	21.36	437.96	2,645.30	1,977.02
Net Asset Value Per Share (₹) (Post Bonus and After Split)	21.36	18.28	4.71	3.52

*Notes:*

1. *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 profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Financial Information of the Company, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
2. *Basic and diluted EPS are based on the Restated Financial Information.*
3. *Basic Earnings per Equity Share (₹) = Net profit after tax attributable to owners of the Company, as restated / Weighted average no. of Equity Shares outstanding during the year*
4. *Diluted Earnings per Equity Share (₹) = Net Profit after tax attributable to owners of the Company, as restated / Weighted average no. of potential Equity Shares outstanding during the year*
5. *Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share'*
6. *NAV per equity share is calculated as net worth as of the end of relevant year divided by the number of equity shares outstanding at the end of the year. Further, "other equity" comprises retained earnings, other comprehensive income and securities premium reserve as at the end of respective year/period.*
7. *Total Borrowings = Non – current borrowings + Current Borrowings including current maturities of long-term borrowings*

For further details, see "**Other Financial Information**" beginning on page 154

#### **QUALIFICATION OF THE AUDITOR**

The Auditors' Report of Audited Restated Financial Statements for the period ended on September 30, 2023 and Financial Years ended on March 31, 2023, 2022 and 2021 does not contain any qualification which have not been given effect to in Restated Financial Statements.

#### **SUMMARY OF OUTSTANDING LITIGATION**

(₹ in Lakh)		
Nature of Cases	Number of Cases	Amount Involved (in ₹)*
<b>Company</b>		
Direct Tax		
E-Proceedings	2	Not Ascertainable
Outstanding Demand	1	0.06
TDS	6	3.82
<b>Directors other than Promoter</b>		
Direct Tax		
E- Proceedings	3	Not Ascertainable
Outstanding Demand	1	0.005
<b>Promoter</b>		
Direct Tax		
Outstanding Demand	1	0.12

*\*To the extent quantifiable excluding interest and penalty thereon*

For the details of litigation proceedings, please refer the chapter titled "**Outstanding Litigations and Material Developments**" beginning on page 176 of this Red Herring Prospectus.

## RISK FACTORS

Investors should read chapter titled “*Risk Factors*” beginning on page 31 of this Red Herring Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES

Except as stated below, our Company does not have any Contingent Liabilities as on date of this Red Herring Prospectus:  
(₹ in Lakh)

Sr. No.	Particulars Amount	Particulars Amount
1	Income Tax demands / Notices before CIT Appeals / TDS	3.99
2	Bank Guarantees / Corporate Guarantees	5.85
	<b>Total</b>	<b>9.84</b>

For further information, please see “*Financial Statements as Restated*” beginning on page 154 of this Red Herring Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

Our Company has entered into certain transactions with our related parties including our Promoters, Promoter Group, Directors and their relatives as mentioned below:

(₹ in Lakh)

Particulars	For the period ended on	For the financial year ended on		
	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Remuneration	95.49	132.09	76.90	48.00
Advance Received	438.48	238.17	-	-
Advance Paid/Repaid	85.00	256.97	-	-
Expenses Reimbursement	51.18	185.45	-	-
Issue of Shares Against Purchase of Immovable Property	-	600.81	-	-
<b>Total</b>	<b>670.15</b>	<b>1,413.48</b>	<b>76.90</b>	<b>48.00</b>

For details of the Related Party Transactions as reported in the Restated Financials, please refer “*Financial Statements as restated– Related Party Transaction*” beginning on page 154 of this Red Herring Prospectus.

## FINANCING ARRANGEMENTS

There are no financing arrangements whereby our Promoters, members of Promoter Group, the Directors of our Company and their relatives and financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of 6 months immediately preceding the date of filing of this Red Herring Prospectus.

## WEIGHTED AVERAGE PRICE OF THE EQUITY SHARES ACQUIRED BY OUR PROMOTERS AND THE SELLING SHAREHOLDER IN THE LAST ONE YEAR PRECEDING THE DATE OF THIS RED HERRING PROSPECTUS

The weighted average price of Equity Shares acquired by our Promoters and the selling shareholder in the last one year preceding the date of this Red Herring Prospectus is as below:

Name of the Promoters	Weighted Average Price (₹)
Mr. Shiraz Ibrahim	11.44
Ms. Nasreen Shiraz –Promoter selling shareholder	3.84

# ^ As certified by M/s Gupta Agarwal & Associates Chartered Accountants vide certificate dated June 22, 2023

## AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters and the selling shareholder as at the date of this Red Herring Prospectus is:

Name of the Promoters	Average Cost of Acquisition (₹)#
Mr. Shiraz Ibrahim	11.44
Ms. Nasreen Shiraz-Promoter Selling Shareholder	3.79

# As certified by M/s Gupta Agarwal & Associates Chartered Accountants vide certificate dated June 22, 2023

#### **PRE-IPO PLACEMENT DETAILS**

Our Company has not proposed any Pre-IPO Placement in this Issue.

#### **ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR**

Other than as disclosed in “*Capital Structure*” beginning on page 68 of this Red Herring Prospectus, no Equity Shares have been issued by our Company for consideration other than cash as on the date of this Red Herring Prospectus.

#### **SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

Other than as disclosed in “*Capital Structure*” beginning on page 68 of this Red Herring Prospectus, our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Red Herring Prospectus.

#### **SEBI EXEMPTION**

Our Company has not applied or received any exemption from complying with any provisions of Securities Law by SEBI.

## SECTION II: RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this Issue including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “*Our Business*” beginning on page 107, “*Our Industry*” beginning on page 99 and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 155 respectively, of this Red Herring Prospectus as well as other financial information contained herein.

The following factors have been considered for determining the materiality of Risk Factors:

- Some events may not be material individually but may be found material collectively;
- Some events may have material impact qualitatively instead of quantitatively;
- Some events may not be material at present but may have material impact in future.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “*Definitions and Abbreviations*” beginning on page 4 of this Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

The risk factors are classified as Internal and External for clarity and better understanding.

### INTERNAL RISKS

#### A. BUSINESS RELATED RISKS

1. *There are outstanding legal proceedings involving our Company, Promoters and Directors. Any adverse decision in such proceeding may have a material adverse effect on our business, results of operations and financial condition.*

There are certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities. We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition. For the details of the cases please refer the chapter titled “*Outstanding Litigations and Material Developments*” beginning on page no. 176 of this Red Herring Prospectus A summary of the pending civil and other proceedings involving Our Company is provided below:

A classification of legal proceedings is mentioned below:

(₹ in Lakh)

Nature of Cases	Number of Cases	Amount Involved (in ₹)
<b>Company</b>		
Direct Tax		
E-Proceedings	2	Not Ascertainable
Outstanding Demand	1	0.06
TDS	6	3.82
<b>Directors other than Promoter</b>		
Direct Tax		
E- Proceedings	3	Not Ascertainable
Outstanding Demand	1	0.005
<b>Promoter</b>		
Direct Tax		
Outstanding Demand	1	0.12

*\*To the extent quantifiable excluding interest and penalty thereon*

For further details of litigation proceedings, please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page 176 of this Red Herring Prospectus.

2. ***There are certain delays in filing returns with Certain Government Authorities. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of relevant act could impact the financial position of the Company to that extent.***

The Company has generally complied with the statutory provisions and requirement of filing returns under various statutes except the following:

- GSTR-3B for the state of Telangana and Tamil Nadu for the financial year 2017-2018 and 2021-2022, these returns were filed after its due date. The return for the financial year 2017-2018 was filed after October 2017 due to website issues and returns for period of April 2021 and May 2021 was filed late due to closure of offices during Covid-19 pandemic. However, the same were filed with additional late fees, as applicable while filing the returns.
- Employee Provident Fund Returns were filed after its due date for the Assessment Years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 due to issues in e-filing portal. However, the same were submitted with applicable late fees.

Although no show-cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

3. ***Our Registered Office, Factory, Showrooms and our Warehouses are not owned by us. The same are occupied by us on a lease basis. Disruption of our rights as lessee or termination of the agreements with our lessor would adversely impact our operations and, consequently, our business.***

Our Registered Office and our factory are situated at the same place and is not owned by us. Our Company has been occupying the Registered Office and factory located at No. 28, 4th Main, Industrial Suburb, Yeshwanthpur, Bangalore-560022, Karnataka, India, on lease basis through a lease deed dated July 11, 2017 entered into by our Company with M/s Sunrise Industrials Syndicate, for a period of 10 years. Also, the Warehouse and Showrooms situated at Bangalore, Chennai, Ahmedabad, Delhi, Hyderabad and Mumbai are not owned by us and has been taken on lease. We cannot assure you that we will be able to continue the above arrangement on commercially acceptable / favourable terms in future. If we are required to vacate the current premises, we would be required to make alternative arrangements for new office and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business through franchise, prospects, results of operations and financial condition.

4. ***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.***

Designs and patterns of chairs and furniture items change frequently, based on the changing customer requirements and tastes. Our products thus become vulnerable to changing market demand. Inability in successfully predicting changing customer trends could lead to obsolesce in inventory of our furniture items which may turned to be dead stock. Our inability on our part to understand the prevailing trends or our inability to forecast changes as per latest trends or understand the needs of our customers in this industry well in time may affect our growth prospects. Our management

expertise lies in designing and styling of our products after identifying latest trends and customer requirements derived through valuable customer feedback and interaction. It is our endeavour to keep ourselves abreast with the latest trends in home decor and to introduce the designs accordingly to broad base our product portfolio and augment our business.

**5. *Our Company's failure to maintain the quality standards of the products could adversely impact our business, results of operations and financial condition.***

The demand for our products depends on quality that we manufacture and market. Any failure of ours to maintain the quality standards may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customer 's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

**6. *We face competition in our business from domestic competitors. Such competition would have an adverse impact on our business and financial performance.***

The industry, in which we are operating, is highly and increasingly competitive due to presence of many small-time players in unorganized sector. Our results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

**7. *We are dependent on various kinds of Supplier for the supply of raw materials, services and finished goods.***

Our business is significantly affected by the availability, cost and quality of the raw materials and bought out items, which we need to construct, develop and provide for our projects, products and services. The prices and supply of raw materials and bought out items depend on factors not under our control, including domestic and international general economic conditions, competition, availability of quality suppliers, production levels, transportation costs and import duties. Although we may enter into back-to-back supplier contracts or provide for price contingencies in our contracts to limit our exposure, if, for any reason, our primary suppliers of raw materials and bought out items should curtail or discontinue their delivery of such materials to us in the quantities we need, provide us with raw materials and bought out items that do not meet our specifications, or at prices that are not competitive or not expected by us, our ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted and our results of operations and business could suffer. Further, we depend on few suppliers who cater to a significant part of our business needs. If any of our key suppliers for a particular project is unable to continue providing the raw materials and bought out items we need, at prices and on terms and conditions we consider acceptable, we will be required to obtain these items from other suppliers and our results of operations and business could suffer as a result.

**8. *Our ability to remain competitive may be adversely affected by rapid technological changes and our ability to access such technology.***

The furniture industry continues to undergo significant technological developments. We may not be successful in adopting new technologies or may lose market share to our competitors if the technology that we adopt are not as technologically sound, user-friendly, widely accessible or appealing to clients as those adopted by our competitors. Further, advances in technologies or alternative technologies, could have a negative effect on our business. Other competitor companies may have greater financial strength to adopt new growing technological trends ahead of us. In order to remain competitive, we could be required to upgrade our technology, and any failure to do so could have a material adverse effect on our business, prospects, financial condition and results of operations.

**9. *Our business involves usage of manpower and any unavailability of our employees or shortage of contract labour or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labour may have an adverse impact on our cash flows and results of operations.***

Our business involves usage of manpower and we are dependent on the availability of our permanent employees and the supply of a sufficient pool of labourers. Unavailability or shortage of such a pool of workmen or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labour may have an adverse impact on our cash flows and results of operations. We may not be able to secure the required number of labourers required for the timely execution of our projects for a variety of reasons including, but not limited to, possibility of disputes with sub-contractors, strikes, less competitive rates. We are subject to laws and regulations relating to employee welfare and benefits such as minimum wage, working conditions, employee insurance, and other such employee benefits and any changes to existing labour legislations, including upward revision of wages required by such state governments



to be paid to such contract labourers, limitations on the number of hours of work or provision of improved facilities, such as food or safety equipment, may adversely affect our business and results of our operations. Further, there can be no assurance that disruptions in our business will not be experienced if there are strikes, work stoppages, disputes or other problems with sub-contractors or contract labourers deployed at our projects. This may adversely affect our business and cash flows and results of operations.

**10. *Our business is capital intensive. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, there may be an adverse effect on our operations.***

Our business requires a significant amount of working capital which is based on certain assumptions, and therefore, any change of such assumptions would result in changes to our working capital requirements. In many contracts, significant amounts of working capital are required to finance the purchase or manufacturing of materials, mobilization of resources and other work on projects before payment is received from clients. Our working capital requirements may increase due to an increase in the size of our operations and the number and size of projects that are required to be executed within a similar timeframe. Our growth strategy thus require continued access to significant amounts of capital on acceptable terms. We cannot assure you that market conditions and other factors will permit future project and acquisition financings, debt or equity, on terms acceptable to us. Our ability to arrange financing and the costs of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence, the continued success of current projects and laws that are conducive to our raising capital in this manner.

**11. *Heavy dependence on our Promoters for the continued success of our business through his continuing services, strategic guidance and support.***

We are heavily dependent upon the continued services of our Promoters, along with support of our management team for the continuous success and growth of our organization. Our promoters are responsible for the execution of our day-to-day business affairs. The loss of our Promoters or failure to recruit suitable or comparable replacements could have an adverse effect on our business operations and growth strategies. For Details of our Promoters, please refer chapter titled **“Our Promoters and Promoter Group”** beginning on Page 147 of this Red Herring Prospectus.

**12. *Our Company does not have any long-term agreements with their clients and is subject to uncertainties in demand for our services.***

We do not have any long-term agreements with our clients and such agreements are typically terminable by our clients without cause on a short notice period. As a result, our clients can terminate their relationship with us due to circumstances beyond our control, such as more competitive option offered by our competitors which could materially and adversely impact our business. We believe that we have satisfactory business relations with our clients and have received continued business from them in the past but there is no certainty that the same will continue in the future, which could materially affect our business, results of operations and financial condition.

**13. *There are certain discrepancies / errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 1956 / 2013. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of corporate and other law could impact the financial position of the Company to that extent.***

Our Company was incorporated in the year 1995 under the Companies Act, 1956, hence Company is unable to trace certain corporate and other documents in relation to our Company including forms filed with the Registrar of Companies prior to the year 2006. Due to change in methods of record keeping over the years, certain forms filed with ROC prior to the year 2006 like Incorporation Documents, Return of Allotment, Registration of charges and modification of charges, Increase in Authorized Capital, Appointment of Directors, Appointment of Auditors, Annual Returns, etc., could not be traced by our Company. Further online filing of RoC documents was initiated in the year 2006 and all forms prior to the said year were physically filed, hence some of these forms could not be retrieved from Ministry of Corporate Affairs (MCA) portal. Our Company has made an application with the Registrar of Companies for retrieving the data, however, we have not received the documents from the Registrar. As such under the circumstances elaborated above, our Company cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the Company are correct. While no legal proceedings or regulatory action has been initiated against us in relation to the unavailable filings and statutory lapses as of the date of this Red Herring Prospectus, we cannot assure you that such proceedings or regulatory actions will not be initiated against us in the future in relation to the missing filings and corporate records. We cannot assure you that any such proceedings will not have a material adverse effect on our financial condition or reputation. Further, there are certain forms which are filed with delayed fees with RoC. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

Our company has missed to comply with certain statutory provisions in the past including but not limited to the details as mentioned in this risk factor. There are few discrepancies noticed in some of our corporate records relating to adhering with the provisions of SS-1 and SS-2 of the Companies Act, 2013, however upon identifying such non-compliance, the company started adhering the provisions of SS-1 and SS-2 of companies act 2013. Our company did not comply with provisions of Section 12(3) (a) and (c) of the Companies Act, 2013 by not mentioning Corporate Identity Number along with telephone number, fax number, e-mail and website addresses of the company on its business letters, and billheads. Upon identification of the said non-compliances the company has corrected its stationary and complied with section 12. Our company inadvertently missed to enclose explanatory statement or resolutions in various forms viz. Form 18 and Form 2. In the year 2007, the Capital clause of Memorandum of Association of the Company was changed by passing ordinary resolution instead of special resolution and the form was approved by the Registrar of Companies. In the Annual Return filed by the Company for the financial year 2006-07 and 2007-2008, Paid up capital of the Company was inadvertently written as 23,80,000 instead of 23,80,500. However, later on it was corrected in the subsequent years.

- 14. *We require several approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of “Transteel Seating Technologies Limited” from “Transteel Seating Technologies Private Limited” pursuant to name change of our company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-obtaining or non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. For example, some of our agreements have been entered in the name of Transteel Seating Technologies Private Limited. Further we require to keep already obtained valid key approvals such as Tax Registrations, Shops and Establishment Act License, for running our operations in a smooth manner. Though our Company is in the process of applying for Shops and Establishments Certificate for Chennai Offices and one of our Delhi Office, however, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the timeframe anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled “*Key Industry Regulations and Policies*” and “*Government and Other Statutory Approvals*” at pages 117 and 181 respectively of this Red Herring Prospectus.

- 15. *The Company is yet to place orders for 100% of the plant & machineries for our proposed object, as specified in the Objects of the Issue. Any delay in placing orders, procurement of plant & machineries may delay our implementation schedule and may also lead to increase in price of these plant & machineries, further affecting our revenue and profitability.***

Our Company have identified the type of plant and machineries required to be bought from the proceeds of the Initial Public Offer. However, we are yet to place orders for 100% of the Plant & Machinery worth ₹ 1,489.94 Lakhs as detailed in the “*Objects of the Issue*” beginning on page 81 of this Red Herring Prospectus. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management 's views of the desirability of current plans, change in supplier of plant & machineries, Equipments among others, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure these plant and machineries, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun, which would have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page 81 of this Red Herring Prospectus.

- 16. *A part of IPO proceeds would be used for working capital requirements, the assumption of working capital requirements also include the funds required for opening new showrooms and warehouses.***

A part of working capital would be used for opening of new showrooms and warehouses in different cities across the country. Our company has finalised the cites where the company propose to open new showrooms and warehouses but company has not yet identified the places and are have not entered into agreements for taking such places on lease to open new showrooms and warehouse. Hence, assumption of working capital requirements includes the funds required for opening new showrooms and warehouses but our companies is yet to identify places.

**17. Brand recognition is important to the success of our business, and our inability to build and maintain our brand names will harm our business, financial condition and results of operation.**

Brand recognition is important to the success of our business. Establishing and maintaining our brand name in the industry or for people relying on services is critical to the success of the customer acquisition process of our business. Although, we expect to allocate significant amount of resources, financial and otherwise, on establishing and maintaining our brand, no assurance can be given that our brand names will be effective in attracting and growing user and client base for our businesses or that such efforts will be cost-effective, which may negatively affect our business, financial condition and results of operations.

**18. Too much Geographical concentration of our Business in one location can impact our Business.**

The major portion of our revenue for the financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021 is from only one city. 30% of Revenue in Fiscal 2022-2023, 30% of Revenue in Fiscal 2021-2022 and 37% of Revenue in Fiscal 2020-2021 was from only one city i.e. Bangalore. Such geographical concentration of our business heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. Factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand, our operations may differ from those in which we are currently offering. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local distributors, dealers, relevant government authorities, and are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand more into areas outside Bangalore market may adversely affect our business prospects, financial conditions and results of operations.

**19. Our Company has issued debt instruments in the past, any default in compliance with the material covenants of such debt instruments would impact financial position of the company.**

Our Company has issued Secured Non-Convertible Debentures and has been complying with requirements of issuance of Debentures. There can instance in future where by company any default in payment of interest, default in redemption, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable, non-availability or non-maintenance of asset cover, interest cover, debt-service cover. Any such act would amount to non-compliance of provision of Companies Act, 2013 and relevant rules made under which may cause penalty to the company and in turn impact the financial position of the Company.

**20. Our Company had not made any provision for gratuity in the past.**

As per provision of Payment of Gratuity Act, 1972 (Act) a scheme for the payment of gratuity to employees shall be made upon applicability of the Act. Our company failed to determine the applicability of the act although the number of employees of the company has crossed the threshold limit as mentioned in the Act. Since the company was not aware of the applicability, the company failed to maintain any provisions for gratuity in any of the past financials' years. Upon identification of this non-compliance the same was rectified in the restated financials by taking actuarial valuation and making appropriate provisions for gratuity. Although no complaint had been filed against our company for non-compliance under any section of Act, and also no show cause notice in respect of the above has been received by the Company till date. But if the company is found to be in default in complying with any of the provisions of this Payment of Gratuity Act, 1972 or any rule or order made thereunder the employer shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to one thousand rupees, or with both. Upon any such action the financial position of the company may be impacted. For further information on provision of gratuity, please refer to Note N.17 Employee Benefits under the chapter "**Financial Statement as Restated**".

**21. The average cost of acquisition of Equity Shares by the Promoters, including the Promoter Selling Shareholder may be less than the Offer Price.**

The average cost of acquisition of Equity Shares by the Promoters, including the Promoter Selling Shareholder, may be less than the Offer Price. The details of the average cost of acquisition of Equity shares held by the Promoters and promoter selling shareholder are set out as below:

<b>Name of the Promoters and promoter selling shareholder</b>	<b>Average Cost of Acquisition (₹)*</b>
Mr. Shiraz Ibrahim	11.44
Ms. Nasreen Shiraz-Promoter Selling Shareholder	3.79

\*As certified by M/s Gupta Agarwal & Associates, Chartered Accountants, by way of their certificate dated June 22, 2023.

**22. *We face significant risk with regard to length of time needed to complete each project and there could be unscheduled delays and cost overruns in relation to our ongoing and future projects.***

As on the date of this Red Herring Prospectus, our Company is recognized by our clients for quality and timely execution of the projects undertaken. There has not been any material past instances of unscheduled delays with respect to our completed projects and phases thereof that have caused any material cost overruns. However, our business is extremely dynamic in nature and there could be unscheduled delays and cost overruns in relation to our ongoing or forthcoming projects. During the time there can be changes to the national, state and local business conditions and regulatory environment, local market conditions, perception of prospective clients with respect to the convenience and attractiveness of the project and changes with respect to competition from other companies. Further, any changes to the business environment such as non-availability of raw materials or increase in cost of construction materials during such time may affect the cost and revenues associated with the project and may ultimately affect the timelines of a project. We cannot assure you that we will be able to complete our projects within the expected budgets and time schedules at all. We may be penalized from the regulatory authorities as well as our client for delay in completion of project.

**23. *Significant security breaches in our computer systems and network infrastructure and fraud could adversely impact our business.***

We seek to protect all the computer systems and network infrastructure in our offices from physical break-ins as well as security breaches and other disruptive problems. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and networks. To address these issues and to minimise the risk of security breaches we employ security systems, including firewalls and intrusion detection systems, conduct periodic penetration testing for identification and assessment of potential vulnerabilities and, use encryption technology for transmitting and storing critical data such as passwords. However, these systems may not guarantee prevention of frauds, break-ins, damage and failure. A significant failure in security measures could have an adverse effect on our business.

**24. *Our inability to obtain no objections from our lenders for the Issue, in a timely manner or at all could adversely affect raising of funds.***

Our Company is required to obtain prior no objections from lender banks and Institution pursuant to restrictive covenants contained in the loan documents. Our Company has made application for no-objection / consents from the all the lenders and has yet to be obtained their consent. Our inability to obtain such no objection certificate in a timely manner or at all, may adversely affect timely raising of funds. For further information, see the chapter titled “*Statement of Financial Indebtedness*” on page no. 155 of the Red Herring Prospectus. Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance. For further details, please see the section titled “*Statement of Financial Indebtedness*” on page 155.

**25. *Our business is subject to various operating risks at our sites, the occurrence of which can affect our results of operations and consequently, financial condition of our Company.***

Our business operations are subject to operating risks, such as breakdown or failure of equipment’s used at the project sites, weather conditions, interruption in power supply, shortage of consumables, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, accidents, our inability to respond to technological advancements and emerging realty industry standards and practices along with the need to comply with the directives of relevant government authorities. The occurrence of these risks, if any, could result in stoppage of work along with penalty in monetary terms. Any stoppage of work may result in a delay in completing our projects leading to failure to deliver the furniture to the customers within the time frame. Further, any of the aforesaid risks may also result in our contractors compromising on the quality standards in order to finish the work within the given timelines, which may in turn affect our reputation and ability to attract new customers. If any of the above were to occur, it would significantly affect our operating results, and the slowdown of business operations may have a material adverse effect on our business operations and financial conditions.

**26. *Our Company will not receive the entire proceeds from the Offer. Further, our Promoter Selling Shareholder will receive the proceeds from the Offer for Sale (after deducting applicable Offer-related expenses and taxes).***

The Offer comprises the Fresh Issue, which is the offer of up to 67,84,000\* Equity Shares aggregating up to ₹ [●] Lakhs by our Company, and the Offer for Sale, which is an offer of up to 3,56,000\* Equity Shares aggregating up to ₹ [●] Lakhs by Ms. Nasreen Shiraz-Promoter Selling Shareholder. The proceeds from the Offer for Sale will be paid to the Promoter Selling Shareholder (after deducting applicable Offer-related expenses and taxes) and our Company will not receive any such proceeds. For further details, see the sections entitled “*Objects of the Offer*” on page 81 of this DRHP.

\* Subject to finalization of the Basis of Allotment



**27. *Some of the details mentioned in the respective KYC Documents of our Promoters and Directors are not same in all KYC documents.***

While going through the KYC documents such as Aadhaar Card, PAN, Passport, Driving License and Voting Id, it was found that certain details mismatch with each other. For example, the Date of Birth of the Promoter / Director in some KYC document is not matching with other KYC document. There is mismatch in Address details in the KYCs of some Directors and Promoters

**28. *Our success depends in large part upon our qualified personnel, including our senior management, directors and key personnel and our ability to attract and retain them when necessary.***

Our operations are dependent on our ability to attract and retain qualified personnel. While we believe that we currently have adequate qualified personnel, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. The loss of the services of our qualified personnel may adversely affect our business, results of operations and financial condition. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting the qualified employees that our business requires. Furthermore, our senior management team is integral to the success of our business. However, we cannot assure you that we will be able to retain any or all of our management team. Any loss of our senior management or key personnel or our inability to recruit further senior managers or other key personnel could impede our growth by impairing our day-to-day operations and hindering our development of ongoing and planned projects and our ability to develop, maintain and expand customer relationships.

**29. *We continue to explore the diversification of our business and the implementation of new services. These diversifications and our other strategic initiatives may not be successful, which may adversely affect our business and results of operations.***

In order to achieve our goal, we are constantly evaluating the possibilities of expanding our business through new models, innovations and / or starting new services. Although we believe that there are synergies between our current business and our expansion plans, we do have experience or expertise in these new areas. These new businesses and modes of delivery and the implementation of our strategic initiatives may pose significant challenges to our administrative, financial and operational resources, and additional risks, including some of which we are not aware of. The early stages and evolving nature of some of our businesses also make it difficult to predict competition and consumer demand therein. Our strategic initiatives require capital and other resources, as well as management attention, which could place a burden on our resources and abilities. In addition, we cannot assure you that we will be successful in implementing any or all of our key strategic initiatives. If we are unable to successfully implement some or all of our key strategic initiatives in an effective and timely manner, or at all, our ability to maintain and improve our leading market position may be negatively impacted, which may have an adverse effect on our business and prospects, competitiveness, market position, brand name, financial condition and results of operations.

**30. *We will continue to be controlled by our Promoters and certain related entities after the completion of the Issue.***

As of the date of this Red Herring Prospectus, our Promoters and Promoter Group hold maximum part of the issued, subscribed and paid-up equity share capital of our Company. Upon completion of the Issue, our Promoters and certain members of the Promoter Group together will own 51.28 % of our equity share capital, which will allow them to continue to control the outcome of matters submitted to our Board or shareholders for approval. After this Issue, our Promoters will continue to exercise significant control or exert significant influence over our business and major policy decisions, including but not limited to the following:

- controlling the election of directors;
- controlling the selection of senior management;
- approving significant corporate transactions, including acquisitions and disposals of our assets or business, or change of control transactions;
- making overall strategic and investment decisions;
- approving our annual budgets; and
- amending our Memorandum and Articles of Association.



The interests of our Promoters and certain members of the Promoter Group may conflict with your interests and the interests of our other shareholders, and our Promoters and certain members of the Promoter Group could make decisions that may adversely affect our business operations, and hence the value of your investment in the Equity Shares.

- 31. *We are dependent on third party vendors for delivery of materials required to us from our suppliers and delivery of our products to our clients. Any failure on part of such vendors to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.***

We are engaged in the business of manufacturing of furniture. We also required certain materials which we source from third party vendors. Our success depends on the smooth supply and transportation of the various materials required for our projects delivering to our customers which are subject to various uncertainties and risks. In addition, these materials may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials which may also affect our business and our results of operation adversely. A failure to maintain a continuous supply of materials in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

- 32. *The shortage or non-availability of power facilities may adversely affect our business and have an adverse impact on our results of operations and financial condition.***

Our business processes require power facilities. The quantum and nature of power requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involves significant capital expenditure and per unit cost of electricity produced is very high in view of increasing oil prices and other constraints. We are mainly dependent on State Government for meeting our electricity requirements. Any defaults or non-compliance of the conditions may render us liable for termination of the agreement or any future changes in the terms of the agreement may lead to increased costs, thereby affecting the profitability. Further since we are majorly dependent on third party power supply; there may be factors beyond our control affecting the supply of power.

Any disruption / non-availability of power shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

- 33. *Our business may be affected by severe weather conditions and other natural disasters.***

Our business activities may be materially and adversely affected by severe weather conditions, which may force us to evacuate personnel or curtail services, or suspend our operations or postpone delivery of materials to our worksites. Heavy or sustained rainfalls or other extreme weather conditions such as cyclones could result in delays or disruptions to our operations during the critical periods of our projects and cause severe damages to our operations. High temperatures during summer months and the monsoon season could limit our ability to carry on our activities or to fully utilize our resources.

- 34. *Our funding requirements and the deployment of Net Proceeds are based on management estimates and have not been independently appraised.***

Further, our management will have discretion in the application of the Net Proceeds, and there is no assurance that the Objects of the Issue will be achieved within the time frame expected or at all. We intend to use the Net Proceeds for the purposes described under “*Objects of the Issue*” on page 81 which includes Prepayment/ Repayment of Existing Debt Facility, Purchase of Equipments to Facilitate Manufacturing, Funding of working Capital Requirements of our company and balance shall be utilised for General Corporate Purposes. Our funding requirements and the deployment of the Net Proceeds are based on management estimates for which we have relied on internal assumptions and such assumptions have not been appraised by any independent agency. The deployment of the Net Proceeds will be monitored by the Monitoring Agency. While we believe that utilization of Net Proceeds for repayment of loans would help us to reduce our cost of debt and enable the utilization of our internal accruals for further investment in business growth and expansion, the repayment of loans will not result in the creation of any tangible assets for our Company. Given the nature of our business and due to various uncertainties involved, we may be unable to utilize the Net Proceeds within the time frame or as per the schedule of deployment that we currently estimate. In the case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by means available to us, including internal accruals and additional equity and/or debt arrangements.

- 35. *We face competition in our business from organized players, which may adversely affect our business operation and financial condition.***

The market in which our company is doing business is highly competitive on account of organized players. Players in this industry generally compete with each other on key attributes such as technical competence, experience, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other

resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

**36. *General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.***

Our business is highly dependent on economic and market conditions in India and other jurisdictions where we operate. General economic and political conditions in India, such as macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, household savings rate, investment in alternative financial instruments, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, foreign direct investment, consumer confidence, currency and interest rate fluctuations, availability of short-term and long-term market funding sources and cost of funding, could affect our business. Global economic and political conditions may also adversely affect the Indian economic conditions. Market conditions may change rapidly and the Indian capital markets have experienced significant volatility in the past. The Indian economy has had sustained periods of high inflation in the recent past. If inflation or real interest rates were to rise significantly, the trends towards increased financial savings might slow down or reverse, our employee costs may increase and the sales of many of our products and services may decline.

**37. *Major fraud, lapses of internal control or system failures could adversely impact the company's business.***

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company's operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

**38. *We continue to explore the diversification of our business and the implementation of new products. These diversifications and our other strategic initiatives may not be successful, which may adversely affect our business and results of operations.***

In order to achieve our goal, we are constantly evaluating the possibilities of expanding our business through new models, innovations and/or starting new products. Although we believe that there are synergies between our current business and our expansion plans, we do have experience or expertise in these new areas. These new businesses and modes of delivery and the implementation of our strategic initiatives may pose significant challenges to our administrative, financial and operational resources, and additional risks, including some of which we are not aware of. The early stages and evolving nature of some of our businesses also make it difficult to predict competition and consumer demand therein. Our strategic initiatives require capital and other resources, as well as management attention, which could place a burden on our resources and abilities. In addition, we cannot assure you that we will be successful in implementing any or all of our key strategic initiatives. If we are unable to successfully implement some or all of our key strategic initiatives in an effective and timely manner, or at all, our ability to maintain and improve our leading market position may be negatively impacted, which may have an adverse effect on our business and prospects, competitiveness, market position, brand name, financial condition and results of operations.

**39. *Our inability to manage growth could disrupt our business and reduce our profitability. We propose to expand our business activities in coming financial years.***

We expect our future growth to place significant demands on both our management and our resources. This will require us to continuously evolve and improve our operational, financial and internal controls across the organisation. In particular, continued expansion increases the challenges we face in:

- Our ability to acquire and retain clients for our product;
- Services, products or pricing policies introduced by our competitors;
- Capital expenditure and other costs relating to our operations;
- The timing and nature of, and expenses incurred in, our marketing efforts;
- Recruiting, training and retaining sufficient skilled technical and management personnel;

- Adhering to our high quality and process execution standards;
- Maintaining high levels of customer satisfaction;
- Developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, and other internal systems.

You should not rely on yearly comparisons of our results of operations as indicators of future performance. It is possible that in some future periods our results of operations may be below the expectations of public, market analysts and investors. If we are unable to manage our growth it could have an adverse effect on our business, results of operations and financial condition.

**40. Our Company has a negative cash flow in its operating activities in the period ended on September 30, 2023 and financial year ended on 2023 and in its investing activities in the period ended on September 30, 2023 and financial year ended on March 2023, March 2022 and March 2021 details of which are given below. Sustained negative cash flow could impact our growth and business.**

Our Company had negative cash flows from our operating activities as well as investing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

(₹ in lakh)

Particulars	For the period ended on	For the financial year ended on		
	September 30, 2023	2023	2022	2021
Net cash (used in) / generated from Operating Activities	(784.20)	(395.63)	602.56	184.66
Net cash (used in) / generated from Investing Activities	(244.31)	(1,614.12)	(822.17)	(516.97)
Net cash (used in) / generated from Financing Activities	968.99	2,036.37	221.54	328.77
Net increase / (decrease) in Cash and Cash Equivalents	(59.53)	26.62	1.94	(3.54)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans, and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

**41. If we are unable to source business opportunities effectively, we may not achieve our financial objectives.**

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**42. The nature of our business exposes us to liability claims and contract disputes and our indemnities may not adequately protect us. Any liability in excess of our reserves or indemnities could result in additional costs, which would reduce our profits.**

Time is often of the essence in our business work. In the event there are delays in our current or future service, we will not be able to get extensions from our customers. Further, in some contracts, in case of delay due to deficiency in services by us, clients may have the right to complete the work at our risk and cost by engaging a third party. In the event we fail to perform under the terms of a particular contract, that could adversely affect our financial conditions and business operations. Failure to effectively cover ourselves against any of these reasons could expose us to substantial costs and potentially lead to material losses. In addition, if there is a customer dispute regarding our performance or workmanship, the customer may delay or withhold payment to us.

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

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties. For further information, see “Financial Statements – Annexure XXX “Related Party Transactions” on page 154. We cannot assure you that we will receive similar terms in our related party transactions in the future. While we believe that all such related party transactions that we have entered into in last three fiscals are legitimate business transactions conducted on an arms’ length basis, in compliance with the requirements stipulated in Companies Act, 2013, and relevant Accounting Standards and other statutory compliances, we cannot assure you that we could not have achieved

more favourable terms had such transactions been entered into with unrelated parties. Any further transactions with our related parties could involve conflicts of interest.

While we have not had any conflict of interest in relation to our equity shareholders in the past, we cannot assure you that such conflicts will not arise in the future. Further, we cannot assure you that such transactions, individually or in the aggregate, will not have any adverse effect on our business and financial results, including because of potential conflicts of interest or otherwise. In September 30, 2023, Fiscal 2023, 2022, 2021, the aggregate amount of such related party transactions was ₹670.15, ₹1,413.48 lakhs, ₹76.90 lakhs, and ₹48.00 lakhs, respectively. The percentage of the aggregate value of such related party transactions to our revenue from operations in the same periods was 21.44%, 23.76%, 2.75%, and 2.10%, respectively. For further information on our related party transactions, see “*Financial Statement – Annexure-XXX*”.

**44. *Employee fraud or misconduct could harm us by impairing our ability to attract and retain clients and subject us to significant legal liability and reputational harm.***

Our business is exposed to the risk of employee misappropriation, fraud or misconduct. Our employees could make improper use or disclose confidential information, which could result in regulatory sanctions and serious reputational or financial harm. While we strive to monitor, detect and prevent fraud or misappropriation by our employees, through various internal control measures, we may be unable to adequately prevent or deter such activities in all cases. Our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. While we have not been able to identify such issues in the past, there could be instances of fraud and misconduct by our employees, which may go unnoticed for certain periods of time before corrective action is taken. In addition, we may be subject to regulatory or other proceedings, penalties or other actions in connection with any such unauthorized transaction, fraud or misappropriation by our agents or employees, which could adversely affect our goodwill, business prospects and future financial performance. We may also be required to make good any monetary loss to the affected party. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

**45. *Our operations may be adversely affected in case of industrial accidents at our working sites.***

Usage of heavy machinery, handling of sharp parts of machinery by labour during production processor otherwise, short circuit of power supply for machines, etc. may result in accidents and fires, which could cause indirect injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Further, our plant and machinery and personnel may not be covered under adequate insurance for occurrence of particular types of accidents which could adversely hamper our cash flows and profitability.

**46. *Our operating expenses include overheads that may remain fixed in the medium term. In case there is any decline in our operating performance, we may be unable to reduce such expenses.***

Our operating expenses include various fixed costs, which are as such, not dependent on sales revenue. Any shortfall in sales may cause significant variations in operating results in any particular quarter, as we would not be able to reduce our fixed operating expenses in the short term. The effect of any decline in sales may thereby be magnified because a portion of our earnings are committed to paying these fixed costs. Accordingly, we believe that period-to-period comparisons of our results may not necessarily give a correct presentation of the performance and should not be relied upon as indications of future performance.

**47. *Delays or defaults in payments from our clients could result into a constraint on our cash flows. The efficiency and growth of our business depends on timely payments received from our clients.***

In the event, our client’s default or delay in making payments and clearing their dues, we may not have adequate resources to fund our business and implement our growth plans. This could have an adverse effect on the results of operations and our financial condition.

**48. *Our insurance coverage may not adequately protect us against losses, and successful claims against us that exceed our insurance coverage could harm our results of operations and diminish our financial position.***

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there are various types of risks and losses for which we do not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including

premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, future financial performance and results of operations.

**49. *There are no alternate arrangements for meeting our requirements for the Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our working capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not yet identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer chapter titled “*Objects of the Issue*” on page 81 of this Red Herring Prospectus.

**50. *Our actual results could differ from the estimates and projections used to prepare our financial statements.***

The estimates and projections are based on and reflect our current expectations, assumptions and/ or projections as well as our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. There can be no assurance that our expectations, estimates, assumptions and/or projections, including with respect to the future earnings and performance will prove to be correct or that any of our expectations, estimates or projections will be achieved.

**51. *Guarantees from Promoters & Directors as well as others have been taken in relation to the debt facilities provided to us.***

In an event any of the guarantors withdraws or terminates this guarantee, the lender for such facilities may ask for alternate guarantee/s, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantee/s satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the chapter titled “*Statement of Financial Indebtedness*” beginning on page 155 of this Red Herring Prospectus.

**52. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholder’s investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “*Dividend Policy*” on page 153 of this Red Herring Prospectus.

**53. *Any future acquisitions, joint ventures, partnerships, strategic alliances, tie-ups or investments could fail to achieve expected synergies and may disrupt our business and harm the results of operations and our financial condition.***

Our success will depend, in part, on our ability to expand our business in response to changing technologies, customer demands and competitive pressures. We have, in the past, explored and continue to explore opportunities on our own, through collaborations, tie-ups, strategic alliances, partnerships or joint venture across the country and regions of focus. In some circumstances, we may also decide to acquire, or invest in, complementary technologies instead of internal development. While we are currently evaluating opportunities and negotiating with several potential partners, we have not entered into any definitive agreements. The risks we face in connection with acquisitions may include integration of product and service offerings, co-ordination of R&D and marketing functions and the diversion of management’s time and focus from operating our business to addressing challenges pertaining to acquisition and integration. Our failure to address these risks or other problems encountered in connection with our acquisitions and investments could result in our failure to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally.



**54. *Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

**55. *Some of the KMPs is associated with our company for less than one year.***

Our Key Management Personnel, Chief Financial officer and Company Secretary & Compliance Officers are associated with the Company for a period of less than one year therefore they may not have been accustomed to the company affairs till date. For details of Key Management Personnel and their appointment, please refer to chapter “*Our Management*” beginning on page 127 of this Red Herring Prospectus.

**56. *There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.***

In accordance with Indian law and practice, permission to list the Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of our Equity Shares to be submitted. There could be a failure or delay in listing our Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**57. *Negative publicity could adversely affect our revenue model and profitability.***

We work in the market where trust of the customers on us and upon the services provided by us matters a lot. Any negative publicity regarding our company or the services rendered by the company due to any other unforeseen events may affect our reputation and image which leads to the adverse effect on our business and goodwill as well.

**58. *Furniture Industry information included in this Red Herring Prospectus has been derived from industry reports commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Red Herring Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Red Herring Prospectus.

**59. *The requirements of being a public listed company may strain our resources and impose additional requirements.***

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a half yearly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management’s attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

**Issue Specific Risks:**

**60. *There are restrictions on daily/weekly/monthly movements in the price of the Equity Shares, which may adversely affect a shareholders' ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Once listed, we would be subject to circuit breakers imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**61. *After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.***

The price of the Equity Shares on the Stock Exchanges may fluctuate as a result of the factors, including:

- a. Volatility in the Indian and global capital market;
- b. Company's results of operations and financial performance;
- c. Performance of Company's competitors,
- d. Adverse media reports on Company or pertaining to the agriculture Industry;
- e. Changes in our estimates of performance or recommendations by financial analysts;
- f. Significant developments in India's economic and fiscal policies; and
- g. Significant developments in India's environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

**62. *You will not be able to sell immediately on Stock Exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.***

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Red Herring Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

**63. *The Issue price of our Equity Shares may not be indicative of the market price of our Equity shares after the issue.***

The Issue price of our equity Shares has been determined by Book Built Method. This price is based on numerous factors and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuation after the issue 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. For further details you may refer chapter titled "**Basis for Issue Price**" beginning on the page 90 of this Red Herring Prospectus.

Some of the factors which may affect our share price without limitations are as follows:

- Reports on research by analysts.
- Changes in revenue.
- Variations in growth rate of our financial indicators such as earning per share, income, profit etc.

- General Market Condition
- Domestic and International Economy.

**64. *Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the Trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

## **EXTERNAL RISKS**

### **Industry Related Risks:**

**65. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.***

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

**66. *Malpractices by some players in the industry affect overall performance of emerging Companies***

The industry in which our Company operates is subject to risk associated with unethical business practices such as unethical marketing, dishonest advertising, questionable pricing practices, inaccurate claims with regards to safety and efficacy of the product etc. Consumers' attitude toward the industry today is dominated by a sense of mistrust, paving a way for regulators for stricter entry barriers and introduction of code of conducts; making the entire industry environment regulated and controlled. Malpractices by some players in the industry affects the overall performance of the emerging Companies like us as the industry norms are applicable to all at parity. Any unethical business practices by any industry player or intermediary may impact our business and results of operations.

### **Other Risks:**

**67. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian Company are generally taxable in India. Any gain on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax ("STT") has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain on the sale of shares held for a period of 12 months or less will be subject to capital gains tax in India. Further, any gain on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

In Finance Bill 2017, section 10(38) was amended to provide that exemption under this section for income arising on transfer of equity share acquired on or after 1<sup>st</sup> day of October 2004 shall be available only if the acquisition of share is chargeable to Securities Transactions Tax (STT) under Chapter VII of the Finance (No 2) Act, 2004. In case this provision becomes effective, sale shares acquired on or after 1<sup>st</sup> day of October 2004 on which STT was not charged will attract tax under provisions of Long-Term Capital Gains.

As per Finance Bill 2018, exemption under section 10(38) for income arising from long term gains on transfer of equity share shall not be available on or after 1<sup>st</sup> day of April 2018 if the long-term capital gains exceeds ₹ 1,00,000.00 p.a. Such income arising from long term gains on transfer of equity share on or after 1<sup>st</sup> day of April 2018 in excess of ₹ 1,00,000.00 pa. shall be chargeable at the rate of 10%. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of

other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

**68. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements, prepared and presented in accordance with SEBI ICDR Regulations contained in this Red Herring Prospectus.***

As stated in the reports of the Auditor included in this Red Herring Prospectus under chapter “***Financial Statements as Restated***” beginning on page 154 the financial statements included in this Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

**69. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

**70. *Financial instability in Indian Financial Markets could adversely affect our Company’s results of operation and financial condition.***

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company’s business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

**71. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and our industry contained in this Red Herring Prospectus.***

While facts and other statistics in this Red Herring Prospectus relating to India, the Indian economy and our industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “***Our Industry***” beginning on page 99 of this Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**72. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency a magnitude, which may negatively affect our stock prices.

**73. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**74. *Natural calamities could have a negative impact on the Indian economy and cause Our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

**75. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

**76. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.



## SECTION III: INTRODUCTION

### THE ISSUE

Present Issue in Terms of this Red Herring Prospectus

Particulars	No. of Equity Shares
Offer of Equity Shares by Our Company <sup>(1)</sup> <sup>(2)</sup>	Issue of upto 71,40,000* Equity Shares of face value of ₹ 10.00 each fully paid of the Company for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs
<b>Consisting of:</b>	
Fresh Issue	Upto 67,84,000* Equity Shares aggregating up to ₹[●] lakhs
Offer for Sale (OFS) <sup>(3)</sup> <sup>(4)</sup>	Upto 3,56,000* Equity Shares aggregating up to ₹[●] lakhs
<b>Out Of Which:</b>	
Reserved for Market Maker	Upto 7,14,000* Equity Shares of face value of ₹ 10.00 each fully paid of the Company for cash at price of ₹ [●] per Equity Share aggregating ₹[●] lakhs
Net Issue to the Public	Upto 64,26,000* Equity Shares of face value of ₹ 10.00 each fully paid of the Company for cash at price of ₹ [●] per Equity Share aggregating ₹[●] lakhs
<b>Of which:</b>	
A. QIB Portion <sup>(5)</sup> <sup>(6)</sup>	Not more than 32,10,000 Equity Shares (not more the 50%) aggregating up to ₹ [●] lakhs
<b>Of which:</b>	
i) Anchor Investor Portion	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
ii) Net QIB Portion (Assuming Anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>Of which:</b>	
a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
b) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
B. Non-Institutional Investors	Not less than 9,66,000 Equity Shares aggregating up to ₹ [●] lakhs
C. Retail Individual Investor	Not less than 22,50,000 Equity Shares aggregating up to ₹ [●] lakhs
<b>Pre and Post Issue Share Capital of our Company:</b>	
Equity Shares outstanding prior to the Issue	1,33,94,510 Equity Shares
Equity Shares outstanding after the Issue	Upto 2,01,78,510 Equity Shares*
Use of Issue Proceeds	For details, please refer chapter titled ' <i>Objects of the Issue</i> ' beginning on page no. 81 of this Red Herring Prospectus.

\*Subject to finalisation of the Basis of Allotment.

#### Notes:

- 1) The Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- 2) The Offer has been authorized by the Board of Directors vide a resolution passed at its meeting held on June 19, 2023, and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on June 21, 2023.
- 3) The Selling Shareholder has confirmed that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. Our Board of directors has taken on record the approval for the Offer for Sale by the Selling Shareholder pursuant to a resolution October 18, 2023. For details on the quantum of Offered Shares and authorisation of Selling Shareholder in relation to the Offered Shares, see "*Other Regulatory and Statutory Disclosures*" page 187 of this Red Herring Prospectus.
- 4) The Offer for Sale was authorised by the Selling Shareholder as follows:

Selling Shareholder	Offered Shares	Date of authorisation letter/ Board Resolution	Date of consent letter
Ms. Nasreen Shiraz	3,56,000*	October 18, 2023	October 18, 2023

\*Subject to the finalisation of basis of allotment

- 5) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e., not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders.
- 6) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws. Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor.

Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “**Issue Procedure**” beginning on page 210 of this Red Herring Prospectus.

**SUMMARY OF FINANCIAL STATEMENTS**

<b>TRANSTEEL SEATING TECHNOLOGIES LIMITED</b>					
<b>(Formerly known as TRANSTEEL SEATING TECHNOLOGIES PRIVATE LIMITED)</b>					
<b>CIN: U36109KA1995PLC017137</b>					
<b>RESTATED STATEMENT OF ASSETS &amp; LIABILITIES</b>					
					<b>Amount (Rs. In Lakhs)</b>
<b>Sr. No.</b>	<b>Particulars</b>	<b>As at 30.09.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>				
<b>1</b>	<b>Shareholders Funds</b>				
	(a) Share Capital	1,339.45	58.24	23.81	23.81
	(b) Reserves & Surplus	1,521.41	2,385.87	605.91	446.82
<b>2</b>	<b>Non-current liabilities</b>				
	(a) Long-Term Borrowings	2011.41	1,570.32	362.63	176.09
	(b) Long-Term Provisions	79.15	67.95	59.32	58.21
<b>3</b>	<b>Current Liabilities</b>				
	(a) Short-Term Borrowings	1,841.74	1,120.78	964.11	812.46
	(b) Trade Payables:				
	(i) total outstanding dues of micro, small and medium enterprises; and	8.65	12.58	-	8.45
	(ii) total outstanding dues of creditors other than micro, small and medium enterprises	1,822.25	1,767.65	1,144.32	742.07
	(c) Other Current Liabilities	903.50	999.68	379.35	265.86
	(d) Short-Term Provisions	534.62	363.99	69.65	4.56
	<b>TOTAL</b>	<b>10,062.18</b>	<b>8,347.06</b>	<b>3,609.10</b>	<b>2,538.33</b>
<b>II</b>	<b><u>ASSETS</u></b>				
<b>1</b>	<b>Non-Current Assets</b>				
	(a) Property, Plant & Equipment & Intangible Assets				
	(i) Property, Plant and Equipment	400.83	434.20	400.01	419.81
	(ii) Intangible Assets	16.41	12.73	5.56	5.44
	(b) Non-Current Investments	640.47	640.47	-	-
	(c) Deferred Tax Assets (net)	17.96	7.83	4.96	3.83
	(d) Other Non-Current Assets	2,372.57	2,157.53	1,289.18	501.01
<b>2</b>	<b>Current Assets</b>				
	(a) Inventories	2,402.60	2,403.94	1,300.11	1,185.56
	(b) Trade Receivables	1,203.98	1,030.87	426.90	239.96
	(c) Cash and Cash Equivalents	83.88	143.41	116.79	114.86
	(d) Short-Term Loans and Advances	809.51	665.95	26.44	27.22
	(e) Other Current Assets	2,113.98	850.13	39.15	40.65
	<b>TOTAL</b>	<b>10,062.18</b>	<b>8,347.06</b>	<b>3,609.10</b>	<b>2,538.33</b>

<b>TRANSTEEL SEATING TECHNOLOGIES LIMITED</b> (Formerly known as TRANSTEEL SEATING TECHNOLOGIES PRIVATE LIMITED) CIN: U36109KA1995PLC017137 <b>RESTATED STATEMENT OF PROFIT &amp; LOSS</b>				
Amount (Rs. In Lakhs)				
Particulars	For the year ended 30.09.2023	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
I. Revenue from Operations	3,125.67	5,947.95	2,798.86	2,281.15
II. Other Income	7.72	13.48	7.88	6.59
<b>III. Total Income (I + II)</b>	<b>3,133.39</b>	<b>5,961.43</b>	<b>2806.74</b>	<b>2,287.74</b>
IV. Expenses:				
Cost of Materials Consumed	1,594.88	2,888.85	1,456.38	1,185.77
Changes in Inventories	(329.12)	(361.20)	(150.28)	(103.43)
Employee Benefits Expense	570.36	1,084.84	583.67	492.18
Finance Costs	192.17	233.02	116.65	65.28
Depreciation and Amortisation Expense	60.12	70.45	61.09	60.62
Other Expenses	468.34	781.90	521.02	566.94
<b>IV. Total Expenses</b>	<b>2,556.76</b>	<b>4,697.86</b>	<b>2,588.53</b>	<b>2,267.37</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)	576.63	1,263.57	218.21	20.37
VI. Exceptional items & Extraordinary Items				
-CSR Provision	13.86	10.03	-	-
-Prior Period Items	-	-	-	2.46
<b>VII. Profit before tax (V- VI)</b>	<b>562.77</b>	<b>1,253.54</b>	<b>218.21</b>	<b>17.91</b>
VIII. Tax expense:				
MAT credit entitlement	-	-	-	(0.73)
Current Tax	155.26	347.05	60.26	7.08
Deferred Tax	(10.13)	(2.87)	(1.14)	12.15
Total Tax Expense	145.13	344.18	59.13	18.50
<b>IX. Profit (Loss) for the period (VII-VIII)</b>	<b>417.64</b>	<b>909.36</b>	<b>159.08</b>	<b>(0.59)</b>
X. Earnings per equity share:				
(1) Basic	3.12	6.80	1.19	0.01
(2) Diluted	3.12	6.80	1.19	0.01

<b>TRANSTEEL SEATING TECHNOLOGIES LIMITED</b>					
<b>(Formerly known as TRANSTEEL SEATING TECHNOLOGIES PRIVATE LIMITED)</b>					
<b>CIN: U36109KA1995PLC017137</b>					
<b>RESTATED CASH FLOW STATEMENT</b>					
Amount (Rs. In Lakhs)					
<b>PARTICULARS</b>	<b>For the year ended 30.09.2023</b>	<b>For the year ended 31.03.2023</b>	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>	
<b>A</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES:</u></b>				
	Net Profit before tax	562.77	1,253.54	218.21	17.91
	Depreciation & Amortisation	60.12	70.45	61.09	60.62
	Interest Paid	192.17	233.02	116.65	65.28
	Interest Income	(1.15)	(6.50)	(6.20)	(6.40)
	Changes in long term provision of employee benefit	11.20	8.63	1.11	(15.83)
	(Profit)/loss on Sale of Assets	-	-	(1.23)	8.35
	<b>Operating Profit before Working Capital Changes</b>	<b>825.11</b>	<b>1,559.15</b>	<b>389.63</b>	<b>129.93</b>
	<b>Adjusted for:</b>				
	Inventories	1.34	(1,103.83)	(114.55)	(199.79)
	Trade receivables	(173.11)	(1,404.51)	(186.94)	85.15
	Short Term Loans & Advances	(143.56)	(639.51)	0.78	38.76
	Other Current Assets	(1,263.85)	(10.44)	1.50	(40.65)
	Trade Payable	50.67	635.89	393.82	87.46
	Other Current Liabilities	(96.18)	620.33	113.49	89.48
Short term provision	170.63	294.34	65.09	0.65	
	<b>(1,454.06)</b>	<b>(1,607.73)</b>	<b>273.19</b>	<b>61.07</b>	
Cash generated/(used) From Operations	<b>(628.95)</b>	<b>(48.58)</b>	<b>662.82</b>	<b>191.00</b>	
Income Tax Paid	155.26	347.05	60.26	6.35	
<b>Net Cash generated/(used in) from Operating Activities (A)</b>	<b>(784.20)</b>	<b>(395.63)</b>	<b>602.56</b>	<b>184.66</b>	
<b>B</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES:</u></b>				
	Proceeds from Long term Loans & Advances	-	-	-	-
	Increase/(Decrease) in Non-Current Investments	-	(640.47)	-	-
	Purchase of plant & equipment	(30.43)	(111.80)	(41.43)	(110.32)
	Interest Income	1.15	6.50	6.20	6.40
	Increase/(Decrease) in Non-Current Assets	(215.04)	(868.35)	(788.17)	(404.70)
	(Loss)/Profit on Sales of Fixed Assets	-	-	1.23	(8.35)
<b>Net Cash used in Investing Activities (B)</b>	<b>(244.31)</b>	<b>(1,614.12)</b>	<b>(822.17)</b>	<b>(516.97)</b>	
<b>C</b>	<b><u>CASH FLOW FROM FINANCING ACTIVITIES:</u></b>				
	Increase in share capital	-	910.04	-	-
	Net Proceeds from long term borrowing	411.09	1,204.89	186.54	120.53
	Net Proceeds from short term borrowing	720.96	159.46	151.65	273.52
	IPO related expenses	(0.89)	(5.00)	-	-
	Finance Cost	(192.17)	(233.02)	(116.65)	(65.28)
	<b>Net Cash used in Financing Activities (C)</b>	<b>968.99</b>	<b>2,036.37</b>	<b>221.54</b>	<b>328.77</b>
	Net Increase/(Decrease) in Cash and Cash Equivalents	(59.53)	26.62	1.94	-3.54
	Cash and Cash Equivalents at the beginning of the year	143.41	116.79	114.86	118.40
	Cash and Cash Equivalents at the end of the year	83.88	143.41	116.79	114.86



**Note :-**

## 1. Components of Cash &amp; Cash Equivalent

Amount (Rs. In Lakhs)

Particulars	For the year ended 30.09.2023	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
a. Balances with banks	13.45	17.77	0.42	3.04
b. FD with banks	69.67	125.36	115.98	110.97
c. Cash in hand	0.76	0.28	0.39	0.84
<b>Total</b>	<b>83.88</b>	<b>143.41</b>	<b>116.79</b>	<b>114.86</b>

2. The above cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.

3. Figures in Brackets represents outflow.

## GENERAL INFORMATION

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.

For details in relation to the incorporation, Registered Office and other details, please refer to the chapter titled “*Our History and Certain Other Corporate Matters*” beginning on 124 of this Red Herring Prospectus.

<b>BRIEF COMPANY AND ISSUE INFORMATION</b>	
<b>Registration Number</b>	017137
<b>Corporate Identification Number</b>	U36109KA1995PLC017137
<b>Date of Incorporation as Private Limited Company</b>	February 08, 1995
<b>Date of Incorporation as Public Limited Company</b>	April 19, 2023
<b>Address of Registered Office</b>	No. 28, 4th Main, Industrial Suburb, Yeshwanthpur, Bangalore- 560022, Karnataka, India. <b>Tel:</b> +91 80953 46346 <b>Email:</b> info@transteel.com <b>Website:</b> www.transteel.com
<b>Address of Registrar of Companies</b>	<b>Registrar of Companies, Bangalore</b> E Wing, 2nd Floor, Kendriya Sadan, Kormangala, Bengaluru- 560034, Karnataka, India. <b>Tel:</b> 080-2563 3105 <b>Email:</b> roc.bangalore@mca.gov.in <b>Website:</b> www.mca.gov.in
<b>Designated Stock Exchange</b>	<b>Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”)</b> Exchange Plaza, C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India. <b>Website:</b> www.nseindia.com

## **OUR BOARD OF DIRECTORS**

Details regarding our Board of Directors as on the date of this Red Herring Prospectus are set forth in the table hereunder:

<b>Name</b>	<b>Designation</b>	<b>Address</b>	<b>DIN</b>
Mr. Shiraz Ibrahim	Managing Director	B-21, Good Earth Patterns, Kambi Pura Village, Kengeri, Bangalore- 560060, Karnataka, India.	00812527
Ms. Nasreen Shiraz	Executive Director	B-21, Good Earth Patterns, Kambi Pura Village, Kengeri, Bangalore- 560060, Karnataka, India.	00581065
Mr. Karan Atul Bora	Non- Executive Director	E-404, 10 Kastrukunj, ICS Colony, Bhosale Nagar, Ganeshkhind Road, Near Pune Universe, Shivaji Nagar Pune- 411007, Maharashtra, India.	08244316
Mr. Mukesh Singh	Independent Director	B-17 Patterns, Goodearth Malhar, Kengeri, Kumbalagodu, Bengaluru- 560074, Karnataka, India.	00182998
Ms. Rina Sharma	Independent Director	E- 83, Near Prayag Hospital, Sector-41, Nodia, Gautam, Buddha Nagar, Uttar Pradesh- 201301, India.	08557373

For detailed profile of our Directors, refer “*Our Management*” on page 127 respectively of this Red Herring Prospectus.

### **Chief Financial Officer**

#### **Mr. Shiraz Ibrahim**

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

**Tel:** +91 8095346346

**Email:** cfo@transteel.com

**Website:** www.transteel.com

**Company Secretary and Compliance Officer**

**Mr. Abhishek Lohia**

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

**Tel:** +91 80953 46346

**Email:** cs@transteel.com

**Website:** www.transteel.com

**INVESTOR GRIEVANCES**

**Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue and/or the Book Running Lead Managers, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.**

All grievances in relation to the application through ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, ASBA Form number, Applicants DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder, ASBA Account number in which the amount equivalent to the Bid Amount was blocked and UPI ID used by the Retail Individual Investors. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

For all Issue related queries and for redressal of complaints, Applicants may also write to the Book Running Lead Managers. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Book Running Lead Managers, who shall respond to the same.

All grievances relating to the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the sole or first Applicant, Bid cum Application Form number, Applicants DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Applicant, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the relevant BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor. For all Issue related queries and for redressal of complaints, investors may also write to the BRLMs.

**DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE OF OUR COMPANY**

<b>BOOK RUNNING LEAD MANAGERS TO THE ISSUE</b>	
<p><b>GRETEX CORPORATE SERVICES LIMITED</b> A-401, Floor 4th, Plot FP-616, (PT), Naman Midtown, Senapati Bapat Marg, Near Indiabulls Dadar (W), S V S Marg, Mumbai- 400028, Maharashtra, India. <b>Tel No.:</b> +91 96532 49863 <b>Email:</b> info@gretexgroup.com <b>Website:</b> www.gretexcorporate.com <b>Contact Person:</b> Ms. Dimple Magharam Slun / Ms. Rashmi Ranjan <b>SEBI Registration No:</b> INM000012177 <b>CIN:</b> L74999MH2008PLC288128</p>	<p><b>PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED</b> <b>Reg. office:</b> Pantomath Nucleus House, Saki-Vihar Road, Andheri (East)-400072, Mumbai, Maharashtra, India. <b>Tel:</b> +91-22 6194 6700 <b>Email:</b> ipo@pantomathgroup.com <b>Website:</b> www.pantomathgroup.com <b>Investor Grievance Id:</b> ipo@pantomathgroup.com <b>Contact Person:</b> Ms. Bharti Ranga/ Ms. Punam Thadeshwar <b>SEBI Registration No:</b> INM000012110</p>
<b>REGISTRAR TO THE ISSUE</b>	<b>LEGAL ADVISOR TO THE ISSUE</b>
<p><b>BIGSHARE SERVICES PRIVATE LIMITED</b> S6-2, 6<sup>th</sup> Pinnacle Business Park, Mahakali Caves Road, next to Ahura Centre, Andheri East, Mumbai- 400093, Maharashtra, India. <b>Tel. No.:</b> +91 22 6263 8200 <b>Fax No.:</b> +91 22 6263 8299 <b>Email:</b> ipo@bigshareonline.com <b>Investor Grievance Email:</b> investor@bigshareonline.com; <b>Website:</b> www.bigshareonline.com <b>Contact Person:</b> Mr. Asif Sayyed <b>SEBI Registration No.:</b> INR000001385 <b>CIN:</b> U99999MH1994PTC076534</p>	<p><b>M/S. M. V. KINI LAW FIRM KINI</b> House, 6 / 39 Jangpura-B, New Delhi – 110014, India. <b>Tel No.:</b> +91 11 2437 1038 / 39 / 40, + 91 98990 16169 <b>Fax No.:</b> +91 11 2437 9484 <b>Email:</b> astha@mvkini.com <b>Website:</b> www.mvkini.com <b>Contact Person:</b> Ms. Astha Talwar</p>

STATUTORY AUDITOR OF THE COMPANY	BANKER TO THE COMPANY
<b>GUPTA AGARWAL &amp; ASSOCIATES</b> <b>Chartered Accountants</b> Imax Lohia Square, 23, Gangadhar Babu Lane, 3 <sup>rd</sup> Floor, Room No. 3A, Kolkata – 700012, West Bengal, India. <b>Tel No.:</b> +91 98364 32639 <b>E-mail:</b> guptaagarwal.associate@gmail.com <b>Contact Person:</b> Mr. Jay Shanker Gupta <b>Membership No.:</b> 059535 <b>Firm Registration No.:</b> 329001E <b>Peer Review No:</b> 013306	<b>ICICI BANK LIMITED</b> MG Road, Bangalore <b>Tel No.:</b> +91 99016 61276 <b>Email Id:</b> josna.j@icicibank.com <b>Website:</b> www.icicibank.com <b>Contact Person:</b> Josna J
BANKERS TO THE ISSUE / SPONSOR BANK	SYNDICATE MEMBER
<b>ICICI BANK LIMITED</b> Capital Market Division, 5th Floor, HT Parekh Marg Churchgate, Mumbai – 400020. <b>Tel:</b> 022-68052182 <b>Email:</b> ipocmg@icicibank.com <b>Website:</b> www.icicibank.com <b>Contact Person:</b> Mr. Varun Badai <b>SEBI Registration No:</b> INBI00000004	<b>GRETEX SHARE BROKING LIMITED</b> A-401, Floor 4th, Plot FP-616, (PT), Naman Midtown, Senapati Bapat Marg, Near Indiabulls Dadar (W), S V S Marg, Mumbai- 400028, Maharashtra, India. <b>Tel. No.:</b> 022-69308502 / 03 <b>Email:</b> compliance@gretexbroking.com <b>Contact Person:</b> Mr. Deepak Navinchandra Shah <b>SEBI Registration No:</b> INZ000166934
MONITORING AGENCY	
<b>CARE Ratings Limited</b> Godrej Coliseum, 4th Floor, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai- 400022 <b>Tel:</b> 022-6754 3456 <b>Email:</b> Anil.Yadav@careedge.in <b>Website:</b> www.careratings.com <b>Contact Person:</b> Mr. Anil Yadav <b>SEBI Registration Number:</b> IN/CRA/004/1999	

#### CHANGES IN AUDITORS DURING LAST THREE FINANCIAL YEARS

Except as mentioned below, there has been no change in the auditors of our Company during the last 3 years:

Sr. No	Date of Change	From	To	Reason for Change
1.	November 22, 2022	<b>Iyer &amp; Co Chartered Accountants</b> Chartered Accountants, No- 43, 2nd Cross, Bank Officers, Colony, Panduranganagar, Bannerghatta Road, IIM Post, Bangalore-560076, Karnataka. <b>Tel No.:</b> 022267579 <b>E-mail:</b> ca.vgiyer@gmail.com <b>Contact Person:</b> V.G Iyer <b>Membership No.:</b> 018568 <b>Firm Registration No.:</b> 001165S	<b>Gupta Agarwal &amp; Associates</b> Chartered Accountants, Imax Lohia Square, 23, Gangadhar Babu Lane, 3 <sup>rd</sup> Floor, Room No. 3A, Kolkata – 700012, West Bengal, India <b>Tel No.:</b> +91 98364 32639 <b>E-mail:</b> guptaagarwal.associate@gmail.com <b>Contact Person:</b> Mr. Jay Shanker Gupta <b>Membership No.:</b> 059535 <b>Firm Registration No.:</b> 329001E <b>Peer Review No:</b> 013306	For appointment of Statutory Auditor who is holding valid Peer Review Certificate

#### SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For details on Designated Branches of SCSBs collecting the Bid-cum-Application Forms, refer to the above-mentioned SEBI link.

Further, as notified by SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019; the applications through UPI in IPOs can be made only through the SCSBs/ mobile applications whose name appears on the SEBI website [www.sebi.gov.in](http://www.sebi.gov.in) at the following path: Home >> Intermediaries/Market Infrastructure Institutions >> Recognized intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

Investor shall ensure that when applying in IPO using UPI, the name of his Bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, he/she shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

#### **SYNDICATE SCSB BRANCHES**

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For more information on such branches collecting Bid-cum-Application Forms from the Syndicate at Specified Locations, refer to the above-mentioned SEBI link.

#### **INVESTORS BANKS OR ISSUER BANKS FOR UPI**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, Retail Individual Applicant using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

#### **REGISTERED BROKERS/COLLECTING DEPOSITORY PARTICIPANTS/REGISTRAR AND SHARE TRANSFER AGENT**

Applicants can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx) and [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm) respectively, as updated from time to time.

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx) and [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

#### **REGISTRAR AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

#### **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, respectively, as updated from time to time.

#### **STATEMENT OF RESPONSIBILITY OF THE BOOK RUNNING LEAD MANAGERS / STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES**

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. In this regard, our Company along with the Selling Shareholder have appointed Gretex Corporate Services Limited and Pantomath Capital Advisors Private Limited as Book Running Lead Managers to this offer and procure this Offer, a statement of inter se allocation of responsibilities amongst Book Running Lead Managers are as under:



Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, positioning strategy and due diligence of our Company including its operations/management/business plans/legal etc. Drafting, design and finalizing of the draft red herring prospectus, red herring prospectus and prospectus and of statutory / newspaper advertisements including a memorandum containing salient features of the prospectus. The BRLMs shall ensure compliance with SEBI ICDR Regulations and stipulated requirements and completion of prescribed formalities with the stock exchanges, RoC and SEBI and RoC filings and follow up and coordination till final approval from all regulatory authorities.	Gretex and PCAPL	Gretex
2.	Due diligence of Company including its operations / management / business plans / legal etc., Drafting and design of Red Herring Prospectus, and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus, Offer Agreement, Syndicate and Underwriting Agreements and RoC filing	Gretex and PCAPL	Gretex
3.	Drafting and approval of statutory advertisements.	Gretex and PCAPL	Gretex
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, application form, abridged prospectus, etc. and filing of media compliance report.	Gretex and PCAPL	Gretex
5.	Appointment of intermediaries – Bankers to the Offer, Registrar to the Offer, advertising agency, printers, Syndicate Members, Monitoring agency and other intermediaries including co-ordination for agreements with such intermediaries	Gretex and PCAPL	Gretex
6.	Preparation of road show marketing presentation and frequently asked questions	Gretex and PCAPL	PCAPL
7.	Institutional marketing of the Offer (other than Anchor Investors), which will cover, inter alia: <ul style="list-style-type: none"> <li>• Institutional marketing strategy;</li> <li>• Finalizing the list and division of investors for one-to-one meetings; and</li> <li>• Finalizing road show and investor meeting schedule</li> </ul>	Gretex and PCAPL	PCAPL
8.	Anchor investors - identification, invitation and allocation	Gretex	Gretex
9.	Retail marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> <li>• Finalising media, marketing, public relations strategy and publicity</li> <li>• budget including list of frequently asked questions at retail road shows</li> <li>• Finalising collection centres</li> <li>• Finalising application form</li> <li>• Finalising centres for holding conferences for brokers etc.</li> <li>• Follow – up on distribution of publicity; and</li> <li>• Issue material including form, RHP / Prospectus and deciding on the quantum of the Issue material</li> </ul>	Gretex and PCAPL	Gretex and PCAPL
10.	Non-Institutional marketing of the Offer, which will cover, inter alia: Finalising media, marketing and public relations strategy; and Formulating strategies for marketing to Non – Institutional Investors.	Gretex and PCAPL	PCAPL
11.	Managing the book and finalization of pricing in consultation with our Company	Gretex and PCAPL	PCAPL
12.	Coordination with Stock Exchanges for anchor intimation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange	Gretex	Gretex
13.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar,	Gretex and PCAPL	Gretex

	<p>SCSBs and Bank to the Offer, intimation of allocation and dispatch of refund to bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transaction tax (“STT”) on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government Co-ordination with SEBI and Stock Exchanges for Refund of 1% Security Deposit and Submission of all post Offer reports including the Initial and final Post Offer report to SEBI.</p>		
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### **BROKERS TO THE ISSUE**

All members of the recognized stock exchanges would be eligible to act as Brokers to the issue.

### **CREDIT RATING**

This being an Issue of Equity Shares, there is no requirement of credit rating for the Issue.

### **IPO GRADING**

Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is no requirement of appointing an IPO Grading Agency.

### **EXPERT OPINION**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated May 30, 2023 from Peer Review Auditor namely, M/s Gupta Agarwal & Associates, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in respect of its (i) examination report dated October 19, 2023 on our Restated Financial Information; and (ii) its report dated October 19, 2023 on the statement of Special Tax Benefits in this Red Herring Prospectus. Aforementioned consents have not been withdrawn as on the date of this Red Herring Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### **DEBENTURE TRUSTEE**

As this is an Issue consisting only of Equity Shares, the appointment of a debenture trustee is not required for the Issue

### **GREEN SHOE OPTION**

No green shoe option is contemplated under the Issue.

### **TRUSTEES**

This is an issue of equity shares hence appointment of trustees is not required.

### **MONITORING AGENCY**

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 10,000 lakh. However, our Company has appointed a Monitoring Agency to monitor utilisation of the Net Proceeds, in accordance with Regulation 262 (1) of the SEBI ICDR Regulations. The details of the Monitoring Agency are as follows:

**CARE Ratings Limited**  
Godrej Coliseum, 4th Floor,

Somaiya Hospital Road,  
Off Eastern Express Highway,  
Sion (East), Mumbai- 400022  
**Tel:** 022-6754 3456  
**Email:** Anil.Yadav@careedge.in  
**Contact Person:** Mr. Anil Yadav

For further details in relation to the proposed utilisation of the Net Proceeds, see “*Objects of the Issue*” on page 81

#### **APPRAISAL AGENCY**

Our Company has not appointed any appraising agency for appraisal of the Project.

#### **FILING OF ISSUE DOCUMENT**

The Red Herring Prospectus is being filed with Emerge Platform of National Stock Exchange India Limited (“NSE Emerge”) Exchange Plaza, C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India.

The Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> .

A copy of the Red Herring Prospectus/ Prospectus, along with the documents required to be filed under Section 26, 28 & 32 of the Companies Act, 2013 will be filed to the RoC Office situated at Registrar of Companies, E Wing, 2<sup>nd</sup> Floor, Kendriya Sadan, Kormangala, Bengaluru-560034, Karnataka, India.

#### **BOOK BUILDING PROCESS**

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Managers in accordance with the Book Building Process, and advertised in in all editions of the English Edition of Financial Express (A Widely Circulated English National Daily Newspaper) and Hindi Edition of Jansatta (A Widely Circulated Hindi National Daily Newspaper), and Bangalore Edition of Udaykala Karnataka, A Kannada Regional Newspaper (Kannada being the Regional Language of Bangalore where our Registered Office is Located) where the registered office of the company is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Managers in accordance with the Book Building Process after the Bid/ Issue Closing Date. Principal parties involved in the Book Building Process are: -

- Our Company;
- The Book Running Lead Managers in this case being Gretex Corporate Services Limited and Pantomath Capital Advisors Private Limited;
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with Exchanges and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Managers;
- The Registrar to the Issue and;
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLMs allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “Anchor Investor Portion”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available

for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.**

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Managers and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the chapter titled “*Issue Procedure*” beginning on page 210 of the Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 210 of this Red Herring Prospectus.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20.00 to ₹24.00 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Amount (₹)	Cumulative Quantity	Subscription
500	24.00	500	16.67%
1000	23.00	1500	50.00%
1500	22.00	3000	100.00%
2000	21.00	5000	166.67%
2500	20.00	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

### Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 210 of this Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

### Bid/ Issue Program:

Event	Indicative Dates
Bid/ Issue Opening Date	Monday, October 30, 2023
Bid/ Issue Closing Date	Wednesday, November 01, 2023
Finalization of Basis of Allotment with the Designated Stock Exchange	On or Before Monday, November 06, 2023
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or Before Tuesday, November 07, 2023
Credit of Equity Shares to Demat accounts of Allottees	On or Before Wednesday, November 08, 2023
Commencement of trading of the Equity Shares on the Stock Exchange	On or Before Thursday, November 09, 2023

(1) *Our Company in consultation with the Book Running Lead Managers may 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 in accordance with the SEBI ICDR Regulations.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Managers. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/Issue Closing Date maybe extended in consultation with the BRLMs, RTA and NSE Emerge taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLMs is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise. In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a



proportionate basis. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs / DPs / stock brokers, as the case may be, for the rectified data.

## UNDERWRITING AGREEMENT

Our Company, the selling shareholder and Book Running Lead Managers to the Offer hereby confirm that the Offer is 100% Underwritten. The Underwriting agreement is dated October 18, 2023. Pursuant to the terms of the Underwriting Agreement the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriter Have indicated its intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakh)	% of the Total Issue Size Underwritten
<b>GRETEX CORPORATE SERVICES LIMITED</b> A-401, Floor 4th, Plot FP-616, (PT), Naman Midtown, Senapati Bapat Marg, Near Indiabulls, Dadar (w), Delisle Road, Mumbai, Mumbai - 400013 Maharashtra, India. <b>Tel. No.:</b> +91 96532 49863 <b>Email:</b> info@gretexgroup.com <b>Website:</b> www.gretexcorporate.com <b>Contact Person:</b> Ms. Dimple Magharam Slun / Ms. Rashmi Ranjan <b>SEBI Registration No.:</b> INM000012177 <b>CIN:</b> L74999MH2008PLC288128	Upto 32,12,000.00	[●]	44.99
<b>PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED</b> <b>Reg. office:</b> Pantomath Nucleus House, Saki-Vihar Road, Andheri (East)-400072, Mumbai, Maharashtra, India. <b>Tel:</b> +91-22 6194 6700 <b>Email:</b> ipo@pantomathgroup.com <b>Website:</b> www.pantomathgroup.com <b>Investor Grievance Id:</b> ipo@pantomathgroup.com <b>Contact Person:</b> Ms. Bharti Ranga/ Ms. Punam Thadeshwar <b>SEBI Registration No:</b> INM000012110	Upto 32,14,000.00	[●]	45.01
<b>Gretex Share Broking Limited</b> A-401, Floor 4th, Plot FP-616, (PT), Naman Midtown, Senapati Bapat Marg, Near Indiabulls, Dadar (w), Delisle Road, Mumbai, Mumbai - 400013 Maharashtra, India. <b>Tel. No.:</b> 022-69308502 / 03 <b>Email:</b> compliance@gretexbroking.com <b>Contact Person:</b> Mr. Deepak Navinchandra Shah <b>SEBI Registration No:</b> INZ000166934	Upto 7,14,000	[●]	10.00
<b>TOTAL</b>	<b>Upto 71,40,000</b>	[●]	<b>100.00</b>

As per Regulation 260(2) of SEBI (ICDR) Regulations, 2018, the Book Running Lead Managers have agreed to underwrite to a minimum extent of 15% of the Issue out of its own account. In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Book Running Lead Managers shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure / subscribe to Equity Shares to the extent of the defaulted amount. If the Underwriter(s) fails to fulfil its

underwriting obligations as set out in the Underwriting Agreement, the Book Running Lead Managers shall fulfil the underwriting obligations in accordance with the provisions of the Underwriting Agreement.

#### **DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE**

Our Company has entered into Market Making Agreement dated October 18, 2023 with our Company, the selling shareholder, Book Running Lead Managers, and Market Maker to fulfil the obligations of Market Making:

The details of Market Maker are set forth below:

<b>Name</b>	<b>GRETEX SHARE BROKING LIMITED</b>
<b>Address</b>	A-401, Floor 4th, Plot FP-616, (PT), Naman Midtown, Senapati Bapat Marg, Near Indiabulls, Dadar West, Delisle Road, Mumbai – 400013, Maharashtra, India.
<b>Tel No.</b>	022-69308502 / 03
<b>Email</b>	compliance@gretexbroking.com
<b>Contact Person</b>	Mr. Deepak Navinchandra Shah
<b>CIN</b>	U65900MH2010PLC289361
<b>SEBI Registration No.</b>	INZ000166934

Gretex Share Broking Limited, registered with Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) will act as the Market Maker and has agreed to receive or deliver the specified securities in the Market Making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the National Stock Exchange of India Limited and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making Arrangement:

- 1) The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- 2) The minimum depth of the quote shall be ₹ 1,00,000.00. However, the investors with holdings of value less than ₹ 1,00,000.00 shall be allowed to Offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of [●] the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be ₹ [●] until the same, would be revised by National Stock Exchange of India Limited.
- 3) After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% (Including the 5% of Equity Shares of the Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Equity Shares would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
- 4) There shall be no exemption / threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- 5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- 6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Gretex Share Broking Limited is acting as the sole Market Maker.
- 7) The shares of the Company will be traded in continuous trading session from the time and day the company gets listed at Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) and Market Maker will remain present as per the guidelines mentioned under the National Stock Exchange of India Limited and SEBI circulars.
- 8) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior

approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

- 9) The Market Maker shall have the right to terminate said arrangement by giving a three-month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker.
- 10) In case of termination of the above-mentioned Market Making Agreement prior to the completion of the compulsory Market Making Period, it shall be the responsibility of the Book Running Lead Managers to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Book Running Lead Managers reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
- 11) Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) will have all margins which are applicable on the National Stock Exchange of India Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.
- 12) Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
- 13) The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
- 14) The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and National Stock Exchange of India Limited from time to time.
- 15) Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores the applicable price bands for the first day shall be:
  - a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”).

Sr. No.	Market Price Slab (in ₹)	Proposed Spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

- 16) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the issue size and as follows:

Issue Size	Buy quote exemption threshold (Including mandatory initial inventory of 5 % of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5 % of the Issue Size)
Up to ₹ 20 Crores	25%	24%
₹ 20 to ₹ 50 Crores	20%	19%
₹ 50 to ₹ 80 Crores	15%	14%
Above ₹ 80 Crores	12%	11%

- 17) All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

**On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.**

## CAPITAL STRUCTURE

The Equity Share Capital of our Company, as on the date of this Red Herring Prospectus and after giving effect to the Issue is set forth below:

Sr. No.	Particulars	Amount	
		₹ in Lakh except share data	
		Aggregate Nominal Value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorised Share Capital <sup>(1)</sup></b>		
	2,10,00,000 Equity Shares of ₹ 10.00 each	2,100.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	1,33,94,510 Equity Shares of ₹ 10.00 each	1,339.45	-
<b>C.</b>	<b>Present Issue in terms of this Red Herring Prospectus <sup>(2)</sup></b>		
	Issue of upto 71,40,000* Equity Shares of face value of ₹ 10.00 each fully paid of the Company for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] lakhs	714.00	[●]
	<i>Consisting of:</i>		
	Fresh Issue of Upto 67,84,000* Equity Shares of ₹ 10.00 each at a price of ₹ [●] per Equity Share	678.40	[●]
	Offer for sale of 3,56,000* Equity Shares of ₹ 10.00 each at a price of ₹ [●] per Equity Share <sup>(3)</sup>	35.60	[●]
	<b>Which comprises:</b>		
<b>D.</b>	<b>Reservation for Market Maker portion</b>		
	Upto 7,14,000* Equity Shares of ₹ 10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share)	71.40	[●]
<b>E.</b>	<b>Net Issue to the Public <sup>(4)</sup></b>		
	Upto 64,26,000 * Equity Shares of ₹ 10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share)	642.60	[●]
<b>F.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	Upto 2,01,78,510 Equity Shares of ₹ 10.00 each	2,017.85	-
<b>G.</b>	<b>Securities Premium Account</b>		
	Before the Issue		Nil
	After the Issue		[●]

\* Subject to finalization of the Basis of Allotment.

- <sup>(1)</sup> For details in relation to the changes in the authorised share capital of our Company, please refer to section titled “History and Certain Other Corporate Matters – Amendments to our Memorandum of Association” on page 124.
- <sup>(2)</sup> The Issue has been authorized by a resolution of our Board of Directors through their meeting dated June 19, 2023 and by a special resolution of our Shareholders at Extraordinary General Meeting dated June 21, 2023.
- <sup>(3)</sup> The Selling Shareholder has specifically confirmed that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. Our Board of directors has taken on record the approval for the Offer for Sale by the Selling Shareholder pursuant to a resolution dated October 18, 2023. For details on the quantum of Offered Shares and authorisation of Selling Shareholder in relation to the Offered Shares, see “Other Regulatory and Statutory Disclosures” page 187 of this Red Herring Prospectus
- <sup>(4)</sup> Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Offer Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company and the selling shareholder in consultation with the Book Running Lead Managers and Stock Exchange. Such inter-se spill-over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines. For detailed



information on the Net Offer and its allocation various categories, please refer chapter titled “The Offer” on page no. 49 of this Red Herring Prospectus.

## CLASS OF SHARES

As on date of this Red Herring Prospectus, our Company has only one class of shares i.e., Equity Shares of ₹ 10.00 each. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of this Red Herring Prospectus.

## NOTES TO CAPITAL STRUCTURE

### 1. Changes in Authorized Equity Share Capital of our Company

Sr. No.	Particulars of increase	Cumulative No. of Equity Shares	Face Value (₹)	Cumulative Authorized Share Capital (₹ in lakhs)	Date of Meeting	Whether AGM / EGM
1.	On Incorporation	5,000.00	100.00	5.00	Incorporation	N.A.
2.	Increase in Authorised Share Capital from ₹ 5.00 Lakhs to ₹ 25.00 Lakh	25,000.00	100.00	25.00	January 17, 2007	EGM
3.	Increase in Authorised Share Capital from ₹ 25.00 Lakhs to ₹ 2,100.00 Lakh	21,00,000.00	100.00	2,100.00	November 4, 2022	EGM
4.	Sub- Division of Equity of the Company from ₹ 100.00 per share to ₹ 10.00 per share	2,10,00,000.00	10.00	2100.00	February 25, 2023	EGM

### 2. History of Issued and Paid-Up Share Capital of our Company

The history of the equity share capital of our Company is set forth below:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Cumulative Securities Premium (₹)
Upon Incorporation (February 08, 1995)	11	100.00	100.00	Cash	Subscriber to the MOA (I)	11	1,100.00	NIL
March 30, 1998	4,500	100.00	100.00	Cash	Preferential Issue (II)	4,511	4,51,100.00	NIL
March 06, 2000	250	100.00	100.00	Cash	Preferential Issue (III)	4,761	4,76,100.00	NIL
March 26, 2007	19,044	100.00	-	Other than Cash	Bonus Issue (IV)	23,805	23,80,500.00	NIL
December 13, 2022	22,732	100.00	2,643.00	Other than Cash	Preferential Issue (V)	46,537	46,53,700.00	5,78,07,476.00
December 14, 2022	11,700	100.00	2,643.00	Cash	Preferential Issue (VI)	58,237	58,23,700.00	8,75,60,576
February 25, 2023	5,82,370	10.00	-	NA	Sub-Division	5,82,370	58,23,700.00	NA
June 06, 2023	1,28,12,140	10.00	-	Other than Cash	Bonus Allotment (VII)	1,33,94,510	13,39,45,100.00	NIL

**i. Initial Subscribers to the Memorandum of Association of our Company:**

Sr. No	Names of Allottees	Number of Equity Shares*
1	Mr. Shiraz Ibrahim	10
2	Mr. Amber A. Rao	1
	<b>Total</b>	<b>11</b>

*\*The equity share capital was sub-divided from ₹ 100.00 to ₹ 10.00 at the Extra-Ordinary General Meeting of members of the Company held on February 25, 2023.*

**ii. Further Issue of 4,500 Equity Shares of Face Value of ₹ 100.00 each as per details given below:**

Sr. No	Names of Allottees	Number of Equity Shares*
1	Ms. Nasreen Shiraz	4,500
	<b>Total</b>	<b>4,500</b>

*\*The equity share capital was sub-divided from ₹ 100.00 to ₹ 10.00 at the Extra-Ordinary General Meeting of members of the Company held on February 25, 2023.*

**iii. Further Issue of 250 Equity Shares of Face Value of ₹ 100.00 each as per details given below:**

Sr. No	Names of Allottees	Number of Equity Shares*
1	Ms. Nasreen Shiraz	250
	<b>Total</b>	<b>250</b>

*\*The equity share capital was sub-divided from ₹ 100.00 to ₹ 10.00 at the Extra-Ordinary General Meeting of members of the Company held on February 25, 2023.*

**iv. Bonus Issue of 19,044 Equity Shares of Face Value of ₹ 100.00 each fully paid allotted on March 26, 2007, in the ratio of 4:1 i.e., 4 (Four) Bonus Equity Shares for 1 (One) equity share held by the existing equity shareholders as on the record date**

Sr. No.	Name	No. of Equity Shares
1	Mr. Shiraz Ibrahim	40
2	Ms. Nasreen Shiraz	19,004
	<b>Total</b>	<b>19,044</b>

*\*The equity share capital was sub-divided from ₹ 100.00 to ₹ 10.00 at the Extra-Ordinary General Meeting of members of the Company held on February 25, 2023.*

**v. Further Issue of 22,732 Equity Shares of Face Value of ₹ 100.00 each in lieu of Land of the allottees as consideration other than cash as per details given below:**

Sr. No	Names of Allottees	Number of Equity Shares*
1	Mr. Shiraz Ibrahim	11,366
2	Ms. Nasreen Shiraz	11,366
	<b>Total</b>	<b>22,732</b>

*\*The equity share capital was sub-divided from ₹ 100.00 to ₹ 10.00 at the Extra-Ordinary General Meeting of members of the Company held on February 25, 2023.*

**vi. Further Issue of 11,700 Equity Shares of Face Value of ₹ 100.00 each as per details given below:**

Sr. No	Names of Allottees	Number of Equity Shares*
1	Mr. Sanjay Popatlal Jain	1,755
2	Mr. Ritesh Khetan	585
3	Mr. Praveen Boregowda	1,170
4	Mr. Kunal Bora	2,340
5	Mr. Karan Bora	2,340
6	M/s. Devkripa Constructions Private Limited	1,755
7	M/s. Invicta Capserv Private Limited	1,755
	<b>Total</b>	<b>11,700</b>

*\*The equity share capital was sub-divided from ₹ 100.00 to ₹ 10.00 at the Extra-Ordinary General Meeting of members of the Company held on February 25, 2023.*

- vii. **Bonus Issue of 1,28,12,140 Equity Shares of Face Value of ₹ 10.00 each fully paid allotted on June 06, 2023, in the ratio of 22:1 i.e., 22 (Twenty-Two) Bonus Equity Shares for 1 (One) equity share held by the existing equity shareholders as on the record date**

Sr. No.	Name	No. of Equity Shares
1	Mr. Shiraz Ibrahim	25,11,520
2	Ms. Nasreen Shiraz	77,03,740
3	Ms. Simran Ibrahim	22,000
4	Mr. Jayan Varghese	220
5	Mr. Caleb Peter	220
6	Mr. Vivek Vaid	220
7	Mr. Charmanna Shyam Nellamakada	220
8	Mr. Sanjay Popatlal Jain	3,86,100
9	Mr. Ritesh Khetan	1,28,700
10	Mr. Praveen Boregowda	2,57,400
11	Mr. Kunal Bora	5,14,800
12	Mr. Karan Bora	5,14,800
13	M/s. Devkripa Constructions Private Limited	3,86,100
14	M/s. Invicta Capserv Private Limited	3,86,100
	<b>Total</b>	<b>1,28,12,140</b>

3. Issue of Equity Shares for Consideration other than Cash.

Except as disclosed in point 1 (iv), (v) and (vii) above, we have not issued any Equity Shares for consideration other than cash.

- Our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 and Section 230-234 of the Companies Act, 2013.
- We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
- Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees, and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed Issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.

7. Issue of Equity Shares at price lower than the Issue Price during the preceding 1 (one) year

Our Company has not issued any Equity Shares at a price lower than the Issue Price during a period of one year preceding the date of this Red Herring Prospectus, except as disclosed below:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
June 06, 2023	1,28,12,140	10.00	NIL	Bonus Issue of 1,28,12,140 Equity Shares of Face Value of ₹ 10.00 each fully paid in the ratio of 22:1	Capitalization of Reserves & Surplus*	Mr. Shiraz Ibrahim Ms. Nasreen Shiraz Ms. Simran Ibrahim Mr. Jayan Varghese Mr. Caleb Peter Mr. Vivek Vaid Mr. Charmanna Shyam Nellamakada Mr. Sanjay Popatlal Jain Mr. Ritesh Khetan Mr. Praveen Boregowda Mr. Kunal Bora Mr. Karan Bora M/s. Devkripa Constructions Private Limited M/s. Invicta Capserv Private Limited	25,11,520 77,03,740 22,000 220 220 220 220 3,86,100 1,28,700 2,57,400 5,14,800 5,14,800 3,86,100 3,86,100
<b>Total</b>							<b>1,28,12,140</b>

*\*Above allotment of shares has been made out of Reserve & Surplus available for distribution to shareholders and no part of revaluation reserve has been utilized for the purpose.*

8. Our Shareholding Pattern

- a) The table below presents the current shareholding pattern of our Company as on the date of this Red Herring Prospectus.

I. Our Shareholding Pattern: -

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares outstanding as per SCRR, 1957 (VIII) = $\frac{\text{VII}}{\text{A+B+C2}} \times 100$	Number of Voting Rights held in each class of securities (IX)				No. of Underlying Outstanding Shares holding as a % assuming full convertible securities (as a percentage of diluted share capital) (XI) = $\frac{\text{X}}{\text{VII}+(\text{X})} \times 100$	Number of Locked in shares (XII)		Number of Shares pledge or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)*	
								Class-Equity	No of Voting Rights		Total as a % of (A+B+C)		No (a)	As a % of total Shares held (b)	No (a)	As a % of total Shares held (b)		
									Class	Total								
A	Promoters & Promoter Group	3	1,07,02,590	-	-	1,07,02,590	79.90	1,07,02,590	-	1,07,02,590	79.90	-	79.90	-	-	-	-	1,07,02,590
B	Public	11	26,91,920	-	-	26,91,920	20.10	26,91,920	-	26,91,920	20.10	-	20.10	-	-	-	-	26,91,920
C	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>14</b>	<b>1,33,94,510</b>	<b>-</b>	<b>-</b>	<b>1,33,94,510</b>	<b>100.00</b>	<b>1,33,94,510</b>	<b>-</b>	<b>1,33,94,510</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,33,94,510</b>

As on date of this Red Herring Prospectus 1 Equity share holds 1 vote.

We have only one class of Equity Shares of face value of ₹10.00 each.

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the Stock Exchange before commencement of trading of such Equity Shares.



b) Equity Shareholding of Directors, Key Managerial Personnel and Senior Management in our Company:

Except as stated below, none of our Directors, Key Managerial Personnel and Senior Management hold any Equity Shares in our Company:

Sr. No.	Name of Shareholder	No. of Equity Shares*	% of Pre-Issue Capital	No. of Equity Shares*#^	% of Post-Issue Capital^
1	Ms. Nasreen Shiraz	80,53,910	60.13	76,97,910	38.15
2	Mr. Shiraz Ibrahim	26,25,680	19.60	26,25,680	13.01
3	Mr. Karan Bora	5,38,200	4.02	5,38,200	2.67
	<b>Total</b>	<b>1,12,17,790</b>	<b>83.75</b>	<b>1,08,56,190</b>	<b>53.83</b>

\*The equity share capital was sub-divided from ₹100.00 to ₹10.00 at the Extra-Ordinary General Meeting of members of the Company held on February 25, 2023.

# 3,56,000 Equity Shares are Offered by Ms. Nasreen Shiraz in the Issue for Offer for Sale

^Assuming full subscription

c) List of shareholders holding 1% or more of the paid-up capital of our Company as on date of this Red Herring Prospectus:

Sr. No.	Name of Shareholder	No. of Equity Shares*	% of Pre-Issue Capital
1	Ms. Nasreen Shiraz	80,53,910	60.13%
2	Mr. Shiraz Ibrahim	26,25,680	19.60%
3	Mr. Karan Bora	5,38,200	4.02%
4	Mr. Kunal Bora	5,38,200	4.02%
5	M/s. Devkripa Constructions Private Limited	4,03,650	3.01%
6	M/s. Invicta Capserv Private Limited	4,03,650	3.01%
7	Mr. Sanjay Popatlal Jain	4,03,650	3.01%
8	Mr. Praveen Boregowda	2,69,100	2.01%
9	Mr. Ritesh Khetan	1,34,550	1.00%
10	Ms. Simran Ibrahim	23,000	0.17%
11	Mr. Caleb Peter	230	0.00%
12	Mr. Charmanna Shyam Nellamakada	230	0.00%
13	Mr. Jayan Varghese	230	0.00%
14	Mr. Vivek Vaid	230	0.00%
	<b>Total</b>	<b>1,33,94,510</b>	<b>100.00%</b>

\*The equity share capital was sub-divided from ₹100.00 to ₹10.00 at the Extra-Ordinary General Meeting of members of the Company held on February 25, 2023.

d) List of shareholders holding 1% or more of the paid-up capital of our company as on date ten days prior to the date of this Red Herring Prospectus:

Sr. No.	Name of Shareholder	No. of Equity Shares*	% of Pre-Issue Capital
1	Ms. Nasreen Shiraz	80,53,910	60.13%
2	Mr. Shiraz Ibrahim	26,25,680	19.60%
3	Mr. Karan Bora	5,38,200	4.02%
4	Mr. Kunal Bora	5,38,200	4.02%
5	M/s. Devkripa Constructions Private Limited	4,03,650	3.01%
6	M/s. Invicta Capserv Private Limited	4,03,650	3.01%
7	Mr. Sanjay Popatlal Jain	4,03,650	3.01%
8	Mr. Praveen Boregowda	2,69,100	2.01%
9	Mr. Ritesh Khetan	1,34,550	1.00%
10	Ms. Simran Ibrahim	23,000	0.17%
11	Mr. Caleb Peter	230	0.00%
12	Mr. Charmanna Shyam Nellamakada	230	0.00%
13	Mr. Jayan Varghese	230	0.00%
14	Mr. Vivek Vaid	230	0.00%
	<b>Total</b>	<b>1,33,94,510</b>	<b>100.00%</b>

\*The equity share capital was sub-divided from ₹ 100.00 to ₹ 10.00 at the Extra-Ordinary General Meeting of members of the Company held on February 25, 2023.

- e) List of shareholders holding 1% or more of the paid-up capital of our company as on date one year prior to the date of this Red Herring Prospectus:

Sr. No.	Name of Shareholder	No. of Equity Shares*	% of Pre-Issue Capital
1	Ms. Nasreen Shiraz	23,755	99.79%
2	Mr. Shiraz Ibrahim	50	0.21%
	<b>Total</b>	<b>23,805</b>	<b>100.00%</b>

\*Before Subdivision of Shares from ₹ 100.00 to ₹ 10.00 vide shareholders resolution dated February 25, 2023.

- f) List of shareholders holding 1% or more of the paid-up capital of our company as on date two year prior to the date of this Red Herring Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares*	% of Pre-Issue Capital
1	Ms. Nasreen Shiraz	23,755	99.79%
2	Mr. Shiraz Ibrahim	50	0.21%
	<b>Total</b>	<b>23,805</b>	<b>100.00%</b>

\*Before Subdivision of Shares from ₹ 100.00 to ₹ 10.00 vide shareholders resolution dated February 25, 2023.

9. Our Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of this Red Herring Prospectus.
10. Our Company has not made any public issue (including any rights issue to the public) since its incorporation
11. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue
12. Our Company does not intend to alter its capital structure within six months from the date of opening of the issue, by way of split / consolidation of the denomination of Equity Shares. However, our Company may further issue equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company

### 13. Details of our Promoter Shareholding

As on the date of this Red Herring Prospectus, our Promoters Ms. Nasreen Shiraz holds 60.13% and Mr. Shiraz Ibrahim holds 19.60% of the pre-issued, subscribed and paid-up Equity Share capital of our Company.

Build-up of our Promoter's shareholding in Our Company

Date of Allotment / Transfer	Number of Equity Shares	Face Value (₹)	Issue / Acquisition / Transfer Price (₹)	Nature of Consideration	Nature of transaction	% of pre-Issue equity share capital	% of post Issue equity share capital**
<b>Ms. Nasreen Shiraz (Promoter selling shareholder)</b>							
July 04, 1996	10*	10.00*	10.00*	Transfer from Mr. Amber A. Rao	Cash	0.00*	0.00
March 30, 1998	45,000*	10.00*	10.00*	Preferential Issue	Cash	0.34*	0.22
March 06, 2000	2,500*	10.00*	10.00*	Preferential Issue	Cash	0.02*	0.01
March 26, 2007	1,90,040*	10.00*	-	Bonus Issue	Consideration other than Cash	1.42*	0.94
November 2, 2022	(1,000)*	10.00*	-	Transfer to Ms. Simran Ibrahim	Consideration other than Cash	-0.01*	0.00

November 2, 2022	(10)*	10.00*	-	Transfer to Mr. Jayan Varghese	Consideration other than Cash	0.00*	0.00
November 2, 2022	(10)*	10.00*	-	Transfer to Mr. Caleb Peter	Consideration other than Cash	0.00*	0.00
November 2, 2022	(10)*	10.00*	-	Transfer to Mr. Vivek Vaid	Consideration other than Cash	0.00*	0.00
November 2, 2022	(10)*	10.00*	-	Transfer to Mr. Charmanna Shyam Nellamakada	Consideration other than Cash	0.00*	0.00
December 13, 2022	1,13,660*	10.00*	264.30*	Preferential Issue	Consideration other than Cash	0.85*	0.56
June 06, 2023	77,03,740	10.00	-	Bonus Issue	Consideration other than Cash	57.51	38.18
<b>Total</b>	<b>80,53,910</b>					<b>60.13</b>	<b>39.91</b>

<b>Mr. Shiraz Ibrahim</b>							
Incorporation	100*	10.00*	10.00*	Subscriber to Moa	Cash	0.00*	0.00
March 26, 2007	400*	10.00*	-	Bonus Issue	Consideration other than Cash	0.00*	0.00
December 13, 2022	1,13,660*	10.00*	264.30*	Preferential Issue	Consideration other than Cash	0.85*	0.56
June 06, 2023	25,11,520	10.00	-	Bonus Issue	Consideration other than Cash	18.75	12.45
<b>Total</b>	<b>26,25,680</b>					<b>19.60</b>	<b>13.01</b>

\*The equity share capital was sub-divided from ₹ 100.00 to ₹ 10.00 at the Extra-Ordinary General Meeting of members of the Company held on February 25, 2023 and figures post sub-division were considered.

\*\*Assuming full subscription

Notes:

- None of the shares belonging to our Promoters have been pledged till date.
- The entire Promoter's shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Red Herring Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations
- All the shares held by our Promoters, were fully paid-up on the respective dates of acquisition of such shares

The shareholding pattern of our Promoters and Promoter Group before and after the Issue is set forth below:

Sr. No.	Particulars	Pre-Issue		Post-Issue*	
		No. of Shares	% Holding	No. of Shares	% Holding
A)	Promoters				
1.	Ms. Nasreen Shiraz	80,53,910	60.13	76,97,910 <sup>#</sup>	38.15
2.	Mr. Shiraz Ibrahim	26,25,680	19.60	26,25,680	13.01
	<b>Total (A)</b>	<b>1,06,79,590</b>	<b>79.73</b>	<b>1,03,23,590</b>	<b>51.16</b>
B)	Promoter Group				
1.	Ms. Simran Ibrahim	23,000	0.17	23,000	0.11
	<b>Total (B)</b>	<b>23,000</b>	<b>0.17</b>	<b>23,000</b>	<b>0.11</b>
	<b>Total (A+B)</b>	<b>1,07,02,590</b>	<b>79.90</b>	<b>1,03,46,590</b>	<b>51.28</b>

\*Assuming full subscription

<sup>#</sup> 3,56,000 Equity Shares are Offered by Ms. Nasreen Shiraz in the Issue for Offer for Sale

14. The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Ms. Nasreen Shiraz	80,53,910	11.44
2.	Mr. Shiraz Ibrahim	26,25,680	3.79

15. We have 14 (Fourteen) Shareholders as on the date of this Red Herring Prospectus

16. We hereby confirm that

Except as stated below, there has been no acquisition, sale or transfer of Equity Shares by our Promoters, Promoter Group, Directors and their immediate relatives in the last 6 months preceding the date of filing of this Red Herring Prospectus:

Date of Allotment / Transfer	Name of Shareholder	No. of Equity Shares allotted / Transferred / Acquired	% of Pre-Issue Capital	Subscribed / Acquired / Transfer	Category of Allottees (Promoters / Promoter Group / Relatives)
June 06, 2023	Mr. Shiraz Ibrahim	25,11,520	18.75	Bonus Allotment	Promoter
June 06, 2023	Ms. Nasreen Shiraz	77,03,740	57.51	Bonus Allotment	Promoter
June 06, 2023	Ms. Simran Ibrahim	22,000	0.16	Bonus Allotment	Promoter Group
June 06, 2023	Mr. Kunal Bora	5,14,800	3.84	Bonus Allotment	Non-Executive Director's Relative
June 06, 2023	Mr. Karan Bora	5,14,800	3.84	Bonus Allotment	Director

No financing arrangements have been entered into by the members of the Promoter Group, the Directors, or their relatives for the purchase by any other person of the securities of our Company other than in the normal course of business of the financing entity during a period of six months preceding the date of filing of this Red Herring Prospectus.

17. Details of Promoters' Contribution and Lock-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post issue capital held by our Promoters shall be considered as Promoter's Contribution ("Promoter's Contribution") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have given written consent to include 40,37,000 Equity Shares held by them and subscribed by them as part of Promoter's Contribution constituting 20.01% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment / transfer and made fully paid up	No. of Equity Shares locked in*	Face Value Per Share (₹)*	Issue / Acquisition / Transfer Price (₹)*	Nature of transaction	Post-Issue Shareholding %**	Lock in Period
<b>Ms. Nasreen Shiraz</b>						
July 04, 1996	10	10.00	10.00	Transfer from Mr. Amber A. Rao	0.00	3 year
March 30, 1998	45,000	10.00	10.00	Preferential Issue	0.22	3 year
March 06, 2000	2,500	10.00	10.00	Preferential Issue	0.01	3 year
March 26, 2007	1,89,000	10.00	-	Bonus Issue	0.94	3 year
June 06, 2023	37,88,990	10.00	-	Bonus Issue	18.78	3 year
<b>Total</b>	<b>40,25,500</b>				<b>19.95</b>	
<b>Mr. Shiraz Ibrahim</b>						
Incorporation	100	10.00	10.00	Subscriber to MOA	0.00	3 year
March 26, 2007	400	10.00	-	Bonus Issue	0.00	3 year
June 06, 2023	11,000	10.00	-	Bonus Issue	0.05	3 year
<b>Total</b>	<b>11,500</b>				<b>0.06</b>	

*\*The equity share capital was sub-divided from ₹ 100.00 to ₹ 10.00 at the Extra-Ordinary General Meeting of members of the Company held on February 25, 2023 and figures post sub-division were considered.*

*\*\*Assuming full subscription*

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 237 of the SEBI (ICDR) Regulations, 2018. In this computation, as per Regulation 237 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- a) The Equity Shares offered for minimum 20% Promoter's Contribution have not been acquired in the three years preceding the date of this Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;
- b) The minimum Promoter's contribution does not include Equity Shares acquired during the one year preceding the date of this Red Herring Prospectus at a price lower than the Issue Price;
- c) No equity shares have been issued to our Promoters upon conversion of a partnership firm during the preceding one year at a price less than the Issue Price
- d) The Equity Shares held by the Promoters and offered for minimum Promoter's contribution are not subject to any pledge;
- e) All the Equity Shares of our Company held by the Promoters are in dematerialized form and
- f) The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoters for inclusion of its subscription in the Promoter contribution subject to lock-in.

**We further confirm that our Promoter's Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.**

#### **18. Equity Shares locked-in for one year other than Minimum Promoter Contribution**

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoter's contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 90,01,510 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription 'non-transferable' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

#### **19. Inscription or Recording of non-transferability**

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

#### **20. Pledge of Locked in Equity Shares**

Pursuant to Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our Promoter can be pledged with any scheduled commercial bank or public financial institution or systematically important non-banking finance company or a housing finance company as collateral security for loans granted by them, provided that:

if the equity shares are locked-in in terms of clause (a) of Regulation 238, the loan has been granted to the company or its subsidiary(ies) for the purpose of financing one or more of the objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan;

if the specified securities are locked-in in terms of clause (b) of Regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.



Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock-in period stipulated in these regulations has expired.

## 21. Transferability of Locked in Equity Shares

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of SEBI (SAST) Regulations, 2011 as applicable;

The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoter or any person of the Promoter Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoters and Promoter's Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

22. Our Company, our Directors and the Book Running Lead Managers to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.
23. As on date of this Red Herring Prospectus, there are no partly paid-up equity shares and all the Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
24. As on the date of filing of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
25. As on the date of this Red Herring Prospectus, the Book Running Lead Managers and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Book Running Lead Managers and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
26. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "Basis of Allotment" in the chapter titled "**Issue Procedure**" beginning on page 210 Of this Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
27. An over-subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
28. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
29. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
30. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
31. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
32. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.

33. There are no Equity Shares against which depository receipts have been issued.
34. As per RBI regulations, OCBs are not allowed to participate in this issue
35. The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholder.
36. This Issue is being made through Book Built Method.
37. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
38. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
39. None of the Promoter or other members of our Promoter Group, directors will participate in the Offer except to the extent of participation by Selling Shareholder in the Offer for Sale.

Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.

## OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of upto 67,84,000 Equity Shares and an offer for sale of 3,56,000 Equity Shares by the Selling Shareholders of our Company at an Issue Price of ₹[●] per Equity Share.

### **OFFER FOR SALE**

The Selling Shareholder will be entitled to their respective portion of the Offer for Sale after deducting its proportion of Offer related expenses and taxes thereon. All fees and expenses relating to Offer shall be shared in proportion to the equity Shares contributed/issued in the offer between our Company and the respective Selling Shareholders in accordance with applicable law. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the net proceeds, i.e., gross proceeds of the Fresh Issue less the Offer related expenses applicable to the Fresh Issue (“Net Proceeds”). The Selling Shareholder will be entitled to his pro rata proceeds from the Offer for Sale, net of his respective portion of the Offer related expenses and relevant taxes thereon, which shall be deducted in the Public Offer Account prior to transfer of proceeds of the Offer for Sale to the account of the Selling Shareholder

The details of the proceeds of the Offer are summarized in the table below: -

Particulars	Amount
Proceeds of the Offer for Sale	[●]
Proceeds from the fresh Issue (including Offer Expenses borne by the Company)	[●]
<b>Total</b>	<b>[●]</b>

(₹ in Lakhs)

### **FRESH ISSUE**

The details of the proceeds of the Fresh Issue are summarized below:

Particulars	Amount
Gross Proceeds from the Fresh Issue	[●]
Less: Issue related expenses*	[●]
Net Proceeds of the Fresh Issue	[●]

(₹ in Lakhs)

*\*Except for the Listing fees and Market making fees, which will be borne by our Company only, all other expenses relating to the Issue as mentioned above will be borne by our Company and the Selling Shareholders in proportion to the Equity Shares contributed / issued in the issue. The total Offer Expenses are ₹[●] Lakhs out of which ₹[●] Lakhs will be borne by the Selling Shareholder and ₹[●] Lakhs will be borne by our Company. However, for ease of operations, expenses of the Selling Shareholder may, at the outset, be borne by our Company on behalf of the Selling Shareholder, and the Selling Shareholder agree that they shall reimburse our Company all such expenses.*

### **REQUIREMENTS OF FUNDS**

Our Company intends to utilize the Net Fresh Issue Proceeds for the following Objects (“Objects of the Issue”):

- a) Prepayment/Repayment of Certain Debt Facility availed by our Company
- b) Purchase of Equipments to Facilitate Manufacturing
- c) Working Capital Requirements
- d) General Corporate Purposes.

In addition to the aforementioned objects, our Company intends to strengthen its capital base and expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including among other things, enhancing the visibility of our brand and our Company among our existing and potential customers.

We believe that listing will enhance our corporate image and brand name and create a public market for Equity Share of our Company in India and will further enable us to avail future growth opportunities. Our company is engaged in the process of Manufacturing Chairs and Seating Equipments. The main object clause and the ancillary object clause of the Memorandum of Association of our Company enable us to undertake our existing activities and the activities for which we are raising funds through the Issue. The existing activities of our Company are within the object clause of our Memorandum. The Fund requirement and deployment is based on internal management estimates and has not been appraised by any bank and financial institution.

## UTILIZATION OF NET FRESH ISSUE PROCEEDS

The Net Fresh Issue Proceeds are proposed to be used in the manner set out in the following table:

(₹ in lakhs)

Sr. No.	Particulars	Total Estimated Expenditure	Amount Deployed till Date of Filing this Document	Amount to be Financed from Net Proceeds	Estimated deployment of Net Proceeds by the Financial Year ended March 31, 2024
1	Prepayment/ Repayment of Existing Debt Facility	665.00	Nil	665.00	665.00
2	Purchase of Equipments to Facilitate Manufacturing	1,489.94	Nil	1,489.94	1,489.94
3	Working Capital Requirements	5,352.52	Nil	2,000.00	2,000.00
4	General Corporate Purposes	[•]	--	[•]	[•]
	<b>Total</b>	[•]	--	[•]	[•]

### Means of Finance:

The above-mentioned fund requirement will be met from the proceeds of the Issue. We intend to fund the shortfall, if any, from internal accruals.

*Since the fund requirements set out for the aforesaid Objects of the Issue are proposed to be met entirely from the Net Proceeds and internal accruals. Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI (ICDR) Regulations, 2018 through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.*

The fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution or any other independent agency. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans.

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 chapter titled "**Risk Factors**" beginning on page 31 of this Red Herring Prospectus.

### 1) Prepayment/Repayment of Certain Debt Facility availed by our Company

Our Company has entered into various financing arrangements with bank. The loan facilities entered into by our Company include borrowings in the form of term loans and fund-based facilities. For further details, including indicative terms and conditions of such loan facilities, see "**Statement of Financial Indebtedness**" beginning on page 155 of this Red Herring Prospectus. Our Company proposes to utilise an aggregate amount of ₹ 665.00 Lakh from the Net Proceeds towards full or partial repayment or prepayment of certain borrowing availed by our Company from bank.

The selection and extent of loans proposed to be repaid from our Company's borrowings mentioned below will be based on various commercial considerations including, among others, the costs, expenses and charges relating to the facility including interest rate of the relevant loan, the amount of the loan outstanding, the remaining tenor of the loan, presence

of onerous terms and conditions under the facility, levy of any prepayment penalties and the quantum thereof, provisions of any law, rules, regulations governing such borrowings, terms of prepayment to lenders, if any and mix of credit facilities provided by lenders.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these loans may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Accordingly, our Company may utilise the Net Proceeds for part prepayment of any such refinanced loans or repayment of any additional loan facilities obtained by it. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of loans (including refinanced or additional loans availed, if any), in part or full, would not exceed ₹ 665.00 Lakh.

The prepayment or repayment will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the future. The following table provides details of loan availed by our Company as on September 30, 2023 which is proposed to be prepaid or repaid, in full or in part, from the Net Proceeds to the extent of an aggregate amount of ₹ 665.00 Lakhs:

Name of Lender	Date of Sanction	Purpose	Sanction Amount (₹ in Lakhs)	Fixed Rate of Interest	Outstanding as on September 30, 2023 (₹ in Lakhs)
Abans Finance Private Limited	December 07, 2022	Working Capital Loan	1,000.00	12.00% p.a.	678.29

As certified by M/s. Gupta Agarwal & Associates, Chartered Accountants, in accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, pursuant to their certificate dated June 07, 2023 the above-mentioned loans have been deployed towards the purposes mentioned in the respective loan agreements. In due course of business, due to various operational benefits, our Company may explore possibilities of other banks participating in existing loans either in full or in part, including the loans mentioned above. Some of our financing agreements provide for the levy of prepayment penalties. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing agreements, such prepayment penalties shall be paid by our Company out of its internal accruals.

## 2) Purchase of Equipments to Facilitate Manufacturing

In order to increase backward integration at our manufacturing facilities and to cater our manufacturing requirements, our Company intends to make capital expenditure towards purchase of additional plant & machinery. Our Company proposes to use part of net proceeds to the extent to ₹ 1,489.94 Lakhs to meet capital expenditure in relation to (i) Element Chair Injection Mould, (ii) Aqua Chair Injection Mould, (iii) Bionic Chair Injection Mould, (iv) Juno Chair Injection Mould, (v) Leap Chair Injection Mould, (vi) Jupiter Chair Injection Mould, (vii) Relay Chair Injection Mould, (viii) Vector Chair Injection Mould, (ix) Focus Chair Injection Mould, (x) 26" Nylon Base Mould, (xi) 28" PPCP Base Injection Mould, (xii) 1D Adjustable Arm Mould, (xiii) 2D Adjustable Arm Mould, (xiv) Fixed Novel Handle Mould, (xv) Progressive Punching Tooling, (xvi) Stamping Tools, (xvii) Tube Bending Machine, (xviii) CNC Machine Centre, (xix) Bending Press Tools

A detailed breakup of estimated cost which are proposed to be funded from the net issue proceeds is set forth below:

Sr. No.	Equipment Details	Quantity	Quotation Amt. (₹ in Lakhs)*	Quotation Details#
1	Element Chair Injection Mould	1	43.25	Quotation dated May 25th, 2023 from Galaxy Echo Industries Private Limited
2	Aqua Chair Injection Mould	1	85.79	Quotation dated May 22nd, 2023 from Galaxy Echo Industries Private Limited
3	Bionic Chair Injection Mould	1	86.29	Quotation dated May 25th, 2023 from Galaxy Echo Industries Private Limited
4	Juno Chair Injection Mould	1	56.89	Quotation dated May 25th, 2023 from Galaxy Echo Industries Private Limited
5	Leap Chair Injection Mould	1	85.49	Quotation dated May 22nd, 2023 from Galaxy Echo Industries Private Limited
6	Jupiter Chair Injection Mould	1	88.33	Quotation dated May 25th, 2023 from Galaxy Echo Industries Private Limited
7	Relay Chair Injection Mould	1	56.33	Quotation dated May 25th, 2023 from Galaxy Echo Industries Private Limited



8	Vector Chair Injection Mould	2	120.12	Quotation dated May 25th, 2023 from Galaxy Echo Industries Private Limited
9	Focus Chair Injection Mould	1	81.98	Quotation dated May 25th, 2023 from Galaxy Echo Industries Private Limited
10	26" Nylon Base Mould	1	70.49	Quotation dated May 22nd, 2023 from Galaxy Echo Industries Private Limited
11	28" PPCP Base Injection Mould	1	85.03	Quotation dated May 25th, 2023 from Galaxy Echo Industries Private Limited
12	1D Adjustable Arm Mould	1	30.33	Quotation dated May 22nd, 2023 from Galaxy Echo Industries Private Limited
13	2D Adjustable Arm Mould	1	23.88	Quotation dated May 22nd, 2023 from Galaxy Echo Industries Private Limited
14	Fixed Novel Handle Mould	1	35.79	Quotation dated May 22nd, 2023 from Galaxy Echo Industries Private Limited
15	Progressive Punching tooling	4	122.99	Quotation dated June 10th, 2023 from Mindtree Machinery Private Limited
16	Stamping Tools	13	113.29	Quotation dated June 10th, 2023 from Mindtree Machinery Private Limited
17	Tube Bending Machine	1	103.10	Quotation dated June 10th, 2023 from Mindtree Machinery Private Limited
18	CNC Machine Center	1	101.02	Quotation dated June 10th, 2023 from Mindtree Machinery Private Limited
19	Bending Press tools	15	159.61	Quotation dated June 10th, 2023 from Mindtree Machinery Private Limited
	<b>Total</b>		<b>1,489.94</b>	

*\*Above estimates are exclusive of GST*

*# All quotations are valid for a period of 6 months from the date of such quotations*

Notes:

1. We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.
2. All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/equipments or at the same costs.
3. The machinery/equipment models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of machineries or equipments) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipments or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipments and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.
4. We are not acquiring any second-hand machinery.

The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost will be escalated on account of freight expenses, installation charges, packaging & forwarding, custom duty etc. Such cost escalation would be met out of our internal accruals.

### 3) To Meet Working Capital Requirements

Our business is working capital intensive. We finance our working capital requirement from our internal accruals. Considering the existing and future growth, the working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach ₹5,352.52 Lakhs for FY 2023-2024. We intend to meet our working capital requirements to the extent of ₹ 2,000.00 Lakhs from the Net Proceeds of this Issue and the balance will be met from internal accruals and borrowings at an appropriate time as per the requirement.

### Basis of estimation of working capital

The details of our Company's composition of working capital as at March 31, 2023, 2022 and 2021 based on the Audited Financial Statements, as at September 30, 2023 based on restated Financial Statements, and working capital estimates for March 31, 2024 and the source of funding of the same are as set out in the table below:

Particulars	March 31,	March 31,	March 31,	September	March 31,
	2021	2022	2023	30, 2023	2024
	Audited	Audited	Audited	Audited	Estimated
<i>(₹ in lakhs)</i>					
<b>Current Assets</b>					
Inventories	1185.56	1300.11	2,403.94	2,402.60	4,561.22
Trade Receivables	239.96	426.90	1,030.87	1,203.98	2,701.41
Cash and Cash Equivalents	114.86	116.79	143.41	83.88	150.81
Short Term Loans & Advances	27.22	26.44	665.95	809.51	778.85
Other Current Assets	40.65	39.15	850.13	2,113.98	154.55
<b>Total (I)</b>	<b>1,608.25</b>	<b>1,909.39</b>	<b>5,094.30</b>	<b>6613.95</b>	<b>8,346.84</b>
<b>Current Liabilities</b>					
Trade Payables	750.52	1144.32	1,780.23	1,830.90	1,379.49
Other Current Liabilities	265.86	379.35	999.68	903.50	654.45
Short Term Provisions	4.56	69.65	363.99	5534.62	960.38
<b>Total (II)</b>	<b>1,020.94</b>	<b>1,593.32</b>	<b>3,143.90</b>	<b>3,269.02</b>	<b>2,994.32</b>
<b>Net Working Capital (I) – (II)</b>	<b>587.31</b>	<b>316.07</b>	<b>1,950.40</b>	<b>3,344.93</b>	<b>5,352.52</b>
<b>Funding Pattern:</b>					
Borrowings	587.31	316.07	1,120.78	1,841.74	1,500.00
Internal Accruals	-	-	829.62	1,503.19	1,852.52
Part of the IPO Proceeds	-	-	-	-	2,000.00

### Assumptions for working capital requirement

Assumptions for Holding Levels

Particulars	<i>(In days)</i>			
	Holding level as on March 31, 2021 (Actual)	Holding level as on March 31, 2022 (Actual)	Holding level as on March 31, 2023 (Actual)	Holding level as on March 31, 2024 (Estimated)
<b>Current Assets</b>				
Inventories	190	170	148	128
Trade Receivables	38	56	112	76
<b>Current Liabilities</b>				
Trade Payables	214	294	179	125

### Justification for Holding Period Levels

Sr. No.	Particulars	Reason / Justification / Rationale for estimate
1	Inventories	Inventories have increased rapidly as per the growth and requirements of the clients. The estimated inventory value is based on the fact that the company is planning to expand its operations via multiple stores-cum-experience centers which will require inventories for demonstration. Additionally, the expansion will require raw-materials for processing, which needs to be maintained at a certain level to decrease inventory turnover period.
2	Trade Receivables	Trade receivable has increased over the years due to increase in volume of sales. The credit facilities provided by the Company to increase sales is another reason for increase in Trade Receivables over the years. In view of the past trends, trade receivables has been estimated to maintain consistency and better services to customers.
3	Cash & Cash Equivalents	Cash & Cash Equivalents is in line with the previous years. The said balance is to maintain liquidity for day-to-day operations of the company.

4	Short Term Loan & Advances	Advance to Suppliers in the year 2022- 2023 and period ended on September 30, 2023 has been done to procure raw materials for processing. The company intends to continue the same system in coming years to speed up the process.
5	Other Current Assets	It includes Balances with Government Authorities which has increased over the years. It includes GST and TDS deducted by the customers and the estimate shows an increase in line with the previous trend.
6	Trade Payables	Trade Payable has increased over the years due to the increase in volume of purchases. However, the company intends to reduce the outstanding payables in coming years to take benefits of trade discounts, hence, reduced Trade Payable is shown as an estimation.
7	Other Current Liabilities	Advance from Customers has increased in line with the sales over the years, and the same has been continued in the estimates. Salaries and Expenses payables have increased over the years based on increase in expenses and outstanding balances of March which is paid in next month of the subsequent financial year. Statutory Dues Payable has increased year-by-year due to increase in purchase and GST / TDS deducted thereon. Effect of all these factors have been considered in the estimates.
8	Short Term Provisions	Provision for Taxation has increased as per the profitability of the company. The provision for taxation as estimated is based on the estimated profits at current prevailing tax rates. The company has started making provisions for Gratuity which is in parity in all the years. Due to increase in Profits above threshold limits, the company has started making provisions for CSR which has been considered in the estimated.

The Company has highly scalable digital business model. The company is planning to expand its operations by opening experience centres and Godown in cities such as Chandigarh, Kolkata, Surat, etc. Although the Company is in initial stage of discussion with the parties to take showrooms on rent. They haven't finalized the places for showrooms and no agreements are entered by the company for the same. But considering the expansion in new territory, there will be additional expenses towards manpower, utilities, office expenses, advertisements, and other establishment expenses. The company usually holds more than usual inventory in new branches to avoid stock outs and to deliver inventory at shortest possible time. This is done to capture the market. Hence, this will also call for additional inventory. The Company is in initial stage of discussion with the parties to take showrooms on rent. They haven't finalized the places for showrooms; hence, no agreements are entered by the company for the same.

Additionally, the company is currently into sale of office chairs and workstations. It plans to increase its revenue by diversifying its product portfolio. They will be adding more products such as cupboards, desking systems, training room furniture, steel cabinets, steel cupboards and institutional furniture. Further, the company intends to add the following products to its portfolio in the Financial Year 2023-24:

Product*	Expected Launch Date*
Steel Cupboards	February 2024
Filing Cabinets	February 2024
Height Adjustable Tables	December 2023

\*This is based on the estimates provided by the management.

Pursuant to the certificate dated October 19, 2023, M/s. Gupta Agarwal & Associates, Chartered Accountants, have verified the working capital requirements for the period ended September 30, 2023 from the Restated Financial Information and working capital estimates for the financial year 2023 as approved by the Board pursuant to its resolution dated October 19, 2023.

#### 4) General Corporate Purposes

The Net Proceeds will be first utilized towards the Objects as mentioned as mentioned above. The balance Net Fresh Issue Proceeds of ₹ [●] Lakhs is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI (ICDR) Regulations, 2018. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (i) Strategic initiatives
- (ii) Brand building and strengthening of marketing activities; and
- (iii) On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

### Proposed Year wise Deployment of Funds / Schedule of Implementation

The entire Net Fresh Issue Proceeds are proposed to be deployed in the Financial Year 2023 – 24.

### Public Issue Expense

The estimated Issue related expenses include Issue Management Fee, Marketing Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar’s Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately ₹ [●] Lakhs. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Particulars	Expenses (₹ In Lakh)	% of Total Offer Expenses	% of Total Offer size
Payment to the Book Running Lead Managers	[●]	[●]	[●]
Market Making Fees	[●]	[●]	[●]
Fees payable to Registrar to Issue	[●]	[●]	[●]
Fees to Legal Advisor	[●]	[●]	[●]
Advertisement Expenses	[●]	[●]	[●]
Fees payable to Regulators including Stock Exchange	[●]	[●]	[●]
Printing & Distribution Expenses	[●]	[●]	[●]
Marketing & Selling Expenses	[●]	[●]	[●]
Payment to Sponsor Bank	[●]	[●]	[●]
Statutory & Other Reports	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

Selling commission payable to the SCSBs on the portion for QIBS, Retail Individual Bidders, Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows:

Portion for Retail Individual Bidders	0.001% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	0.001% of the Amount Allotted* (plus applicable taxes)
Portion for QIB	0.001% of the Amount Allotted* (plus applicable taxes)

\*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price

No additional processing fees shall be payable to the SCSBs on the applications directly procured by them.

The Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the bid book of NSE.

Processing fees payable to the SCSBs of ₹ 1.00 per valid application (plus applicable taxes) for processing the Bid cum Application of Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees procured by the Syndicate Member/ Sub-Syndicate Members/ Registered Brokers / RTAs / CDPs and submitted to SCSBs for blocking. In case the total ASBA processing charges payable to SCSBs exceeds ₹ 1 lakhs, the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed ₹ 1 lakhs.

### For Syndicate (including their Sub-Syndicate Members), RTAs and CDPs

Brokerages, selling commission and processing/uploading charges on the portion for Retail Individual Bidders (using the UPI mechanism), portion for Non-Institutional Bidders and Eligible Employees which are procured by members of Syndicate (including their Sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat and bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Bidders	0.001% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	0.001% of the Amount Allotted* (plus applicable taxes)
Portion for QIB	0.001% of the Amount Allotted* (plus applicable taxes)

*\*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

*The selling commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member.*

*The payment of selling commission payable to the sub-brokers/ agents of Sub-Syndicate Members are to be handled directly by the respective Sub-Syndicate Member.*

*The Selling commission payable to the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of NSE.*

*Uploading charges/ processing charges of ₹ 1.00 valid application (plus applicable taxes) is applicable only in case of Bid uploaded by the members of the Syndicate, RTAs and CDPs: for applications made by Retail Individual Investors using the UPI Mechanism. In case the total processing charges payable under this head exceeds ₹ 1 lakhs., the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed ₹ 1 lakhs)*

*Uploading charges/processing charges of ₹ 1.00 valid applications (plus applicable taxes) are applicable only in case of Bid uploaded by the members of the Syndicate, RTAs and CDPs: (a) for applications made by Retail Individual Bidders using 3-in-1 type accounts; and (b) for Non-Institutional Bids using Syndicate ASBA mechanism / using 3-in-1 type accounts. (In case the total processing charges payable under this head exceeds ₹ 1 lakhs, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed ₹ 1 lakhs.*

*The Bidding/uploading charges payable to the Syndicate/ Sub-Syndicate Members, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of NSE.*

**For Registered Brokers:**

*Selling commission payable to the registered brokers on the portion for Retail Individual Bidders and Non-Institutional Bidders which are directly procured by the Registered Brokers and submitted to SCSB for processing would be as follows:*

<i>Portion for Retail Individual Bidders and Non-Institutional Bidders</i>	<i>₹ 1 /- per valid application* (plus applicable taxes)</i>
--	--

*\*Based on valid applications.*

**Appraisal by Appraising Fund**

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

**Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and /or unsecured Loans.

**Bridge Financing Facilities**

As on the date of this Red Herring Prospectus, we have not raised any bridge loans, which are proposed to be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement/ cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

**Monitoring Utilization of Funds**

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 10,000 lakh. However, our Company has appointed a Monitoring Agency to monitor utilisation of the Net Proceeds, in accordance with Regulation 262 (1) of the SEBI ICDR Regulations. The details of the Monitoring Agency are as follows:



**CARE Ratings Limited**

4th Floor, Godrej Coliseum,  
Somaiya Hospital Road  
Off Eastern Express Highway  
Sion (East), Mumbai.  
Tel: +91 9791199114  
Email: Pavan.kumar@careedge.in  
Contact Person: Pavan Kumar

For further details in relation to the proposed utilisation of the Net Proceeds, see “*Objects of the Issue*” on page 81

Pursuant to Regulation 32 of the SEBI (LODR) Regulation, 2015, our Company shall on a half-yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company’s balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulation, 2015 our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Red Herring Prospectus.

**Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed Company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

**Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half- yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

**Other Confirmations**

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company’s Key Managerial Personnel or Senior Management in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel or Senior Management except in the normal course of business and in compliance with the applicable laws.

## BASIS FOR ISSUE PRICE

*Investors should read the following summary with the chapter titled “Risk Factors”, the details about our Company under the chapter titled “Our Business” and its financial statements under the chapter titled “Financial Statements as Restated” beginning on pages 31, 107 and 154 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.*

The Offer Price ₹ [●] has been determined by our Company and the selling shareholder, in consultation with the Book Running Lead Managers on the basis of an assessment of market demand for the Equity Shares issued through the Book-Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the face value.

### Qualitative Factors

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

1. Experienced Promoters
2. Sales, Marketing and Distribution Capabilities
3. Brand Positioning
4. Quality Assurance & Control

Further details, see “*Risk Factors*” and “*Our Business*” beginning on pages 31 and 107, respectively.

### 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.

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

#### Basic Earnings and Diluted Earnings per Equity Share (EPS) as per Accounting Standard 20

##### As per Restated Financial Statements (Pre-Bonus)

Period	Basic and Diluted EPS (in ₹)	Weight
March 31, 2021	7.84	1
March 31, 2022	668.28	2
March 31, 2023	162.95	3
<b>Weighted Average</b>	<b>305.54</b>	
For the Period from April 01, 2023 to September 30, 2023 (Not annualized)	3.12	

##### As per Restated Financial Statements (Post-Bonus)

Period	Basic and Diluted EPS (in ₹)	Weight
March 31, 2021	0.01	1
March 31, 2022	1.19	2
March 31, 2023	6.80	3
<b>Weighted Average</b>	<b>3.80</b>	
For the Period from April 01, 2023 to September 30, 2023 (Not annualized)	3.12	

\*Notes:

1. *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings per equity share are computed in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.*

2. 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.
3. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the number of equity shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/period.
4. Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e.  $\{(EPS \times Weight) \text{ for each year} \} / \{Total \text{ of weights} \}$ .

For further details, see “Other Financial Information” on page 154.

**Price/Earning (“P/E”) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:**

Particulars	P/E at Floor Price (no.of times)	P/E at Cap Price(no. of times)
<b>Based on Restated Financial Statements</b>		
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-23	[●]	[●]
P/E ratio based on the Weighted Average Basic & Diluted EPS, as restated	[●]	[●]

*Note: The P/E ratio has been computed by dividing Issue Price with EPS*

**Return on Net Worth as per Restated Financial Statements**

Period	RONW (%)	Weight
March 31, 2021	0.40	1
March 31, 2022	25.26	2
March 31, 2023	37.21	3
<b>Weighted Average</b>	<b>27.09</b>	
For the Period from April 01, 2023 to September 30, 2023 (Not annualized)	14.60	

*Note: 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.*

*Offer Price per Equity Share has been determined by our Company and Selling Shareholder, in consultation with the Book Running Lead Managers on conclusion of the Book Building Process*

**As per Restated Financial Statements:**

Minimum return on Post Issue Net Worth to maintain the Pre-Issue EPS (Post Bonus) for the financial year ended on March 31, 2023- [●]%

**Net Asset Value (NAV) per Equity Share**

**As per Restated Financial Statements – Pre-Bonus**

Sr. No.	Particulars	On the basis of Restated Financial Statements (₹)
a)	As on March 31, 2021	1977.02
b)	As on March 31, 2022	2645.30
c)	As on March 31, 2023	437.96
d)	For the Period from April 01, 2023 to September 30, 2023 (Not annualized)	21.36

### 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)	<b>Net Asset Value per Equity Share after the Issue at Issue Price</b>	[●]
f)	<b>Issue Price*</b>	[●]

#### 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 non-controlling 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 parameters.

For further details, see “Other Financial Information” on page 154.

#### 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
<b>Peer Group **</b>							
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

\* CMP for our Company is considered as Issue Price

\*\* Source : www.bseindia.com.

#### Notes :

- The figures of Transteel Seating Technologies Limited are based on financial statements as restated as on March 31, 2023.
- Considering the nature and size of business of the Company, the peers are not strictly comparable. However same have been included for broad comparison.
- Current Market Price (CMP) is the closing price of peer group scrips as on October 21, 2023.

(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.

The Offer 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.

## KEY PERFORMANCE INDICATORS

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of our company in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated June 07, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Red Herring Prospectus. Further, the KPIs herein have been certified by Gupta Agarwal & Associates, Chartered Accountants, by their certificate dated October 19, 2023.

The KPIs of our Company have been disclosed in the sections titled “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators**” on pages 107 and 155 respectively.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

### Key Performance Indicators of Our Company

Key Financial Performance	April 01, 2023 – September 30, 2023	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	3,125.67	5,947.95	2,798.86	2,281.15
EBITDA <sup>(2)</sup>	807.34	1,543.53	388.07	137.22
EBITDA Margin <sup>(3)</sup>	25.83%	25.95%	13.87 %	6.02%
PAT	417.64	909.36	159.08	(0.59)
PAT Margin <sup>(4)</sup>	13.36%	15.29%	5.68%	(0.03) %
Networth <sup>(5)</sup>	2,860.86	2,444.11	629.71	470.63
RoE % <sup>(6)</sup>	14.60%	37.21%	25.26%	(0.13)%
RoCE% <sup>(7)</sup>	15.34%	36.69%	32.95%	11.84%

#### Notes:

<sup>(1)</sup> Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest Expense – Other Income

<sup>(3)</sup> ‘EBITDA Margin’ is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> ‘PAT Margin’ is calculated as PAT for the period/year divided by revenue from operations.

<sup>(5)</sup> Net worth means the aggregate value of the paid-up share capital and reserves and surplus of the company less deferred tax assets.

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders’ equity plus long term borrowings.

## Explanations for KPI Metrics

KPI	Explanation
Revenue from Operation	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business in key verticals
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
RoE%	RoE provides how efficiently our Company generates profits from Shareholders' Funds
RoCE%	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.

Set forth below are the details of comparison of key performance of indicators with our listed industry peers:

Key Financial Performance	Transteel Seating Technologies Limited			Seasons Furnishing Limited			Shashwat Furnishing Solutions Limited		
	FY 2022-23	FY 2021-22	FY 2020-21	FY 2022-23	FY 2021-22	FY 2020-21	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from Operations <sup>(1)</sup>	5,947.95	2,798.86	2,281.15	751.20	473.66	351.17	456.80	137.60	#Not Available
EBITDA <sup>(2)</sup>	1,543.53	388.07	137.22	69.40	29.10	(238.98)	28.40	15.75	#Not Available
EBITDA Margin <sup>(3)</sup>	25.95%	13.87 %	6.02%	9.24%	6.14%	(68.05%)	6.22%	11.45%	#Not Available
PAT	909.36	159.08	(0.59)	29.00	5.59	(265.8)	21.20	10.52	#Not Available
PAT Margin <sup>(4)</sup>	15.29%	5.68%	(0.03) %	3.86%	1.18%	(75.69%)	4.64%	7.65%	#Not Available
Networth <sup>(5)</sup>	2,444.11	629.71	470.63	#Not Available	(100.56)	(105.10)	#Not Available	181.52	#Not Available
RoE % <sup>(6)</sup>	37.21%	25.26%	(0.13)%	#Not Available	5.56%	(2.53%)	#Not Available	#Not Available	#Not Available
RoCE% <sup>(7)</sup>	37.06%	33.74%	12.86%	#Not Available	#Not Available	#Not Available	#Not Available	#Not Available	#Not Available

\*\*All the information for listed industry peers mentioned above is sourced from the Annual Reports of FY 22-23, FY 21-22 and FY 20-21.

#Not Available = Data of certain KPI's of the Company's listed peers is either not available in the public domain or the basis and manner of calculation of the figures mentioned is not ascertainable and therefore, may not be an accurate comparison with the Company's information and hence not mentioned.

### Notes:

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expense – Other Income
- (3) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- (4) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.
- (5) Net worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.



<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long term borrowings.

### Weighted Average Cost of Acquisition

(a) The price per share of our Company is based on the primary issuance of equity shares.

Except as disclosed below, there has been no issuance of Equity Shares, other than Equity Shares issued pursuant to a bonus issue allotted on June 06, 2023 during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the preissue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days:

Date of Allotment	No. of equity Shares allotted	Face value per Equity share (₹)	Issue price per Equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (₹ in Lakhs)
December 13, 2022	22,732	100.00	2,643.00	Preferential Issue	Other than Cash	600.81
December 14, 2022	11,700	100.00	2,643.00	Preferential Issue	Cash	309.23

\*The equity share capital was sub-divided from ₹ 100.00 to ₹ 10.00 at the Extra-Ordinary General Meeting of members of the Company held on February 25, 2023.

(b) The price per share of our Company based on the secondary transaction of equity shares

There have been no secondary sale/acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(c) Weighted average cost of acquisition, floor price and cap price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ [●])	Cap price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary issuance as per paragraph (a) above	264.30*	[●] times	[●] times
Weighted average cost of acquisition for secondary transaction as per paragraph (b) above <sup>^</sup>	Not Applicable	Not Applicable	Not Applicable

Note:

\*The equity share capital was sub-divided from ₹ 100.00 to ₹ 10.00 at the Extra-Ordinary General Meeting of members of the Company held on February 25, 2023. The face value considered for calculating Weighted average cost of acquisition above is ₹ 10.00. Further, the Weighted average cost of acquisition prior to sub-division shall be ₹ 2,643.00

<sup>^</sup> There were no secondary sales / acquisition of shares of equity shares in last 18 months and three years from the date of this Red Herring Prospectus.

The Company in consultation with the Book Running Lead Managers believes that the Issue Price of ₹ [●] per share for the Public Issue is justified in view of the above parameters. Investor should read the above-mentioned information along with the chapter titled “**Risk Factors**” beginning on page 31 of this Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the chapter titled “**Financial Statements as Restated**” beginning on page 154 of this Red Herring Prospectus.

(a) Detailed explanation for Offer Price/Cap Price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out in point ‘h’ above) along with our Company’s key financial and operational metrics and financial ratios for the Fiscal 2023, 2022 and 2021.

[●]\*

*\*To be included upon finalisation of the Price*

- (b) **Explanation for Offer Price/Cap Price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out in point 'h' above) in view of the external factors which may have influenced the pricing of the Offer.**

[●]\*

*\*To be included upon finalisation of the Price band*

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of the market demand from investors for the Equity Shares through the Book Building Process. Our Company in consultation with the BRLMs, are of justified view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with '*Risk Factors*', '*Our Business*', '*Management Discussion and Analysis of Financial Condition and Revenue from Operations*' and '*Financial Information*' beginning on pages 31, 107, 155 and 154 respectively, to have a more informed view.

The trading price of the equity Shares could decline due to the factors mentioned in the chapter titled '*Risk Factors*' beginning on page 31 and any other factors that may arise in the future and you may lose all or part of your investments.

**STATEMENT OF SPECIAL TAX BENEFITS**

To,  
**The Board of Directors,**  
**Transteel Seating Technologies Limited**  
No-28, 4th Main, Industrial Suburb, Yeshwanthpur,  
Bangalore- 560-022, Karnataka, India

Dear Sirs,

**Re: Proposed initial public offering of equity shares of face value of Rs. 10.00 each (the “Equity Shares”) of Transteel Seating Technologies Limited (the “Company”) and Offer for Sale by the Selling Shareholders (the “Offer”)**

**Sub: Statement of possible Special Tax Benefits available to the Company, its equity shareholders and its subsidiary under the direct and indirect tax laws**

We report that the enclosed statement in Annexure A, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 (‘Act’), as amended by the Finance Act, 2023 i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25 and other direct tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- a) The Company or its shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company. We shall not be liable to the Company for any claims, liabilities or expenses arising from facts and disclosure in statement of tax benefits determined to have resulted primarily from bad faith or intentional misrepresentation. We will not be liable to any other person in respect of this Statement.

We hereby give consent to include this statement of tax benefits in the Draft Red Herring Prospectus (“DRHP”), the Red Herring Prospectus (“RHP”) and the Prospectus and submission of this certificate as may be necessary, to the Securities and Exchange Board of India (“SEBI”), the National Stock Exchange of India Limited (“NSE”) (collectively referred as “Stock Exchanges”) where the Equity Shares are proposed to be listed and the Registrar of Companies or any regulatory authority and / or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law. This certificate may be relied upon by the Book Running Lead Manager and the legal counsel in relation to the Issue.

**For Gupta Agarwal & Associates**  
**Chartered Accountants**  
**Firm’s Registration No: 329001E**

**Sd/-**  
**Jay Shanker Gupta**  
**Partner**  
**Membership No: 059535**  
**UDIN: 23059535BGSXBE5103**  
**Place: Kolkata**  
**Date: October 19, 2023**

**ANNEXURE-A TO THE STATEMENT OF STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA**

**UNDER THE DIRECT TAX LAWS (THE INCOME TAX ACT, 1961)**

**1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY**

Transteel Seating Technologies Limited (“the Company”) is an Indian Company, subject to tax in India. The Company is taxed on its profits. Profits are computed after allowing all reasonable business expenditure, laid out wholly and exclusively for the purposes of the business, including depreciation. Considering the activities and the business of the Company, the following special tax benefits may be available to them.

**Lower corporate tax rate under Section 115BAA of the Act and MAT credit under Section 115JAA of the Act:**

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (the “Amendment Act, 2019”) w.e.f. FY 2019-20 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions / incentives.

The option under Section 115BAA of the Act once exercised cannot be subsequently withdrawn for the same or any future financial year.

The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (“MAT”) under Section 115JB. The CBDT has further issued Circular 29 / 2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available.

**2. SPECIAL TAX BENEFITS AVAILABLE TO SHAREHOLDERS**

The Shareholders of the Issuer Company (Transteel Seating Technologies Limited) are not entitled to any special tax benefits under the Direct and Indirect Tax Laws, as presently applicable.

**Note:**

1. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law. The above statement of possible special tax benefits is as per the current direct tax laws. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.

2. In view of the individual nature of tax consequences, each investor is advised to consult his / her own tax advisor with respect to specific tax consequences of his / her participation in the scheme.

**For Gupta Agarwal & Associates  
Chartered Accountants  
Firm’s Registration No: 329001E**

**Sd/-  
Jay Shanker Gupta  
Partner  
Membership No: 059535  
UDIN: 23059535BGSXBE5103**

**Place: Kolkata  
Date: October 19, 2023**

## SECTION IV: ABOUT THE ISSUER COMPANY

### OUR INDUSTRY

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.*

#### **GLOBAL ECONOMY AT LARGE**

##### **Inflation and Uncertainty**

Tentative signs in early 2023 that the world economy could achieve a soft landing with inflation coming down and growth steady have receded amid stubbornly high inflation and recent financial sector turmoil. Although inflation has declined as central banks have raised interest rates and food and energy prices have come down, underlying price pressures are proving sticky, with labor markets tight in a number of economies. Side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities have come into focus and fears of contagion have risen across the broader financial sector, including nonbank financial institutions. Policymakers have taken forceful actions to stabilize the banking system. As discussed in depth in the Global Financial Stability Report, financial conditions are fluctuating with the shifts in sentiment. In parallel, the other major forces that shaped the world economy in 2022 seem set to continue into this year, but with changed intensities. Debt levels remain high, limiting the ability of fiscal policymakers to respond to new challenges. Commodity prices that rose sharply following Russia’s invasion of Ukraine have moderated, but the war continues, and geopolitical tensions are high. Infectious COVID-19 strains caused widespread outbreaks last year, but economies that were hit hard most notably China appear to be recovering, easing supply-chain disruptions. Despite the fillips from lower food and energy prices and improved supply-chain functioning, risks are firmly to the downside with the increased uncertainty from the recent financial sector turmoil. The baseline forecast, which assumes that the recent financial sector stresses are contained, is for growth to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before rising slowly and settling at 3.0 percent five years out—the lowest medium-term forecast in decades. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5 percent in 2023, the weakest growth since the global downturn of 2001, barring the initial COVID-19 crisis in 2020 and during the global financial crisis in 2009 with advanced economy growth falling below 1 percent. The anemic outlook reflects the tight policy stances needed to bring down inflation, the fallout from the recent deterioration in financial conditions, the ongoing war in Ukraine, and growing geo-economics fragmentation. Global headline inflation is set to fall from 8.7 percent in 2022 to 7.0 percent in 2023 on the back of lower commodity prices, but underlying (core) inflation is likely to decline more slowly. Inflation’s return to target is unlikely before 2025 in most cases. Once inflation rates are back to targets, deeper structural drivers will likely reduce interest rates toward their pre-pandemic levels. Risks to the outlook are heavily skewed to the downside, with the chances of a hard landing having risen sharply. Financial sector stress could amplify and contagion could take hold, weakening the real economy through a sharp deterioration in financing conditions and compelling central banks to reconsider their policy paths. Pockets of sovereign debt distress could, in the context of higher borrowing costs and lower growth, spread and become more systemic. The war in Ukraine could intensify and lead to more food and energy price spikes, pushing inflation up. Core inflation could turn out more persistent than anticipated, requiring even more monetary tightening to tame. Fragmentation into geopolitical blocs has the scope to generate large output losses, including through its effects on foreign direct investment. Policymakers have a narrow path to walk to improve prospects and minimize risks. Central banks need to remain steady with their tighter anti-inflation stance, but also be ready to adjust and use their full set of policy instruments—including to address financial stability concerns—as developments demand. Fiscal policymakers should buttress monetary and financial policymakers’ actions in getting inflation back to target while maintaining financial stability. In most cases, governments should aim for an overall tight stance while providing targeted support to those struggling most with the cost-of-living crisis. In a severe downside scenario, automatic stabilizers should be allowed to operate fully and temporary support measures be utilized as needed, fiscal space permitting. Medium-term debt sustainability will require welltimed fiscal consolidation but also debt restructuring in some cases. Currencies should be allowed to adjust to changing fundamentals, but deploying capital flow management policies on outflows may be warranted in crisis or imminent crisis circumstances, without substituting for needed macroeconomic policy adjustment. Measures to address structural factors impeding supply could ameliorate medium-term growth. Steps to strengthen multilateral cooperation are essential to make progress in creating a more resilient world economy, including by bolstering the global financial safety net, mitigating the costs of climate change, and reducing the adverse effects of geo-economics fragmentation.

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks most notably, the COVID-19 pandemic and Russia's invasion of Ukraine manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multidecade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored. Although telegraphed by central banks, the rapid rise in interest rates and anticipated slowing of economic activity to put inflation on a downward path have, together with supervisory and regulatory gaps and the materialization of bank-specific risks, contributed to stresses in parts of the financial system, raising financial stability concerns. Banks' generally strong liquidity and capital positions suggested that they would be able to absorb the effects of monetary policy tightening and adapt smoothly. However, some financial institutions with business models that relied heavily on a continuation of the extremely low nominal interest rates of the past years have come under acute stress, as they have proved either unprepared or unable to adjust to the fast pace of rate rises. The unexpected failures of two specialized regional banks in the United States in mid-March 2023 and the collapse of confidence in Credit Suisse a globally significant bank have roiled financial markets, with bank depositors and investors reevaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable. The loss of confidence in Credit Suisse resulted in a brokered takeover. Broad equity indices across major markets have fallen below their levels prior to the turmoil, but bank equities have come under extreme pressure. Despite strong policy actions to support the banking sector and reassure markets, some depositors and investors have become highly sensitive to any news, as they struggle to discern the breadth of vulnerabilities across banks and nonbank financial institutions and their implications for the likely near-term path of the economy. Financial conditions have tightened, which is likely to entail lower lending and activity if they persist. Prior to recent financial sector ructions, activity in the world economy had shown nascent signs of stabilizing in early 2023 after the adverse shocks of last year. Russia's invasion of Ukraine and the ongoing war caused severe commodity and energy price shocks and trade disruptions, provoking the beginning of a significant reorientation and adjustment across many economies. More contagious COVID-19 strains emerged and spread widely. Outbreaks particularly affected activity in economies in which populations had lower levels of immunity and in which strict lockdowns were implemented, such as in China. Although these developments imperilled the recovery, activity in many economies turned out better than expected in the second half of 2022, typically reflecting stronger-than-anticipated domestic conditions. Labor markets in advanced economies most notably, the United States have stayed very strong, with unemployment rates historically low. Even so, confidence remains depressed across all regions compared with where it was at the beginning of 2022, before Russia invaded Ukraine and the resurgence of COVID-19 in the second quarter. With the recent increase in financial market volatility and multiple indicators pointing in different directions, the fog around the world economic outlook has thickened. Uncertainty is high, and the balance of risks has shifted firmly to the downside so long as the financial sector remains unsettled. The major forces that affected the world in 2022 central banks' tight monetary stances to allay inflation, limited fiscal buffers to absorb shocks amid historically high debt levels, commodity price spikes and geo-economics fragmentation with Russia's war in Ukraine, and China's economic reopening seem likely to continue into 2023. But these forces are now overlaid by and interacting with new financial stability concerns. A hard landing particularly for advanced economies has become Inflation Is Declining with Rapid Rate Rises but Remains Elevated amid Financial Sector Stress Global headline inflation has been declining since mid-2022 at a three-month seasonally adjusted annualized rate. A fall in fuel and energy commodity prices, particularly for the United States, euro area, and Latin America, has contributed to this decline. To dampen demand and reduce underlying (core) inflation, the lion's share of central banks around the world have been raising interest rates since 2021, both at a faster pace and in a more synchronous manner than in the previous global monetary tightening episode just before the global financial crisis. This more restrictive monetary policy has started to show up in a slowdown in new home construction in many countries. Inflation excluding volatile food and energy prices has been declining at a three-month rate although at a slower pace than headline inflation in most (though not all) major economies since mid-2022. Even so, both headline and core inflation rates remain at about double their pre-2021 levels on average and far above target among almost all inflation-targeting countries. Moreover, differences across economies reflect their varying exposure to underlying shocks. For example, headline inflation is running at nearly 7 percent (year over year) in the euro area with some member states seeing rates near 15 percent and above 10 percent in the United Kingdom, leaving household budgets stretched. The effects of earlier cost shocks and historically tight labor markets are also translating into more persistent underlying price pressures and stickier inflation. The labor market tightness in part reflects a slow post-pandemic recovery in labor supply, with, in particular, fewer older workers participating in the labor force (Duval and others 2022). The ratios of job openings to the number of people unemployed in the United States and the euro area at the end of 2022 were at their highest levels in decades. At the same time, the cost pressures from wages have so far remained contained despite the tightness of labor markets, with no signs of a wage-price spiral dynamic in which both wages and prices accelerate in tandem for a sustained period taking hold. In fact, real wage growth in advanced economies has been lower than it was at the end of 2021, unlike what took place in most of the earlier historical episodes with circumstances similar to those prevailing in 2021, when prices were accelerating and real wage growth was declining, on average. Inflation expectations have so far remained anchored, with professional forecasters maintaining their five-year-ahead projected inflation rates near their pre-pandemic levels. To ensure this remains the case, major central banks have generally stayed firm in their communications about the need for a restrictive monetary policy stance, signalling that interest rates will stay higher for longer than previously expected to address sticky inflation.



As of early 2023, however, financial markets anticipated that less policy tightening would be needed than central banks suggested, leading to a divergence that raised the risks for a significant market repricing. This is most clearly evident in the case of the United States. A repricing materialized in early March, with the market-implied policy path shifting up to close much of the gap with the Federal Reserve's announced expected policy path as markets responded to news about inflation. But recent financial sector turbulence and the associated tightening of credit conditions have pushed the market-implied policy rate path back down, reopening the gap in the United States. This may reflect in part the emergence of liquidity and safety premiums in response to financial market volatility rather than pure policy expectations.

(Source: [https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023?cid=com-compd-pubs\\_belt](https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023?cid=com-compd-pubs_belt))

## INDIAN ECONOMY

The Indian economy has fully recovered to the pre-pandemic real GDP level of 2019-20, according to the provisional estimates of GDP released on May 31, 2022. Real GDP growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20. These figures are associated with stronger growth momentum, indicating increased economic demand. The investment rate in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, capacity utilisation in the manufacturing sector rose in the fourth quarter, as against the third quarter, implying a build-up in demand, which is consistent with the growth objectives of the Indian economy.

Future capital spending of the government in the Indian economy is expected to be supported by factors such as tax buoyancy, streamlined tax system, thorough assessment and rationalisation of the tariff structure and digitisation of tax filing. In the medium term, an increase in capital spending on infrastructure and asset-building projects is set to increase growth multipliers. Furthermore, revival in monsoon and Kharif sowing helped the agriculture sector gain momentum. As of July 11, 2022, the South-West monsoon has covered the entire country, resulting in 7% higher rainfall than the normal level.

India has emerged as the fastest-growing major economy in the world, and is expected to be one of the top three economic powers globally over the next 10-15 years, backed by its robust democracy and strong partnerships.

- India's nominal GDP at current prices was estimated at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy, and is planning to achieve 40% of its energy from non-fossil sources by 2030.
- According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between this period. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 1.2% of GDP in 2021-22.
- Exports fared remarkably well during the pandemic and aided recovery when all other growth engines lost steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.

## RECENT DEVELOPMENTS

India is primarily a domestic demand-driven economy, with consumption and investments contributing 70% to the country's economic activity. With the economic scenario improving on recovering from the COVID-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also launching growth-oriented policies to boost the economy. In view of this, the country witnessed many developments in the recent past, some of which are mentioned below.

- As of July 15, 2022, India's foreign exchange reserves reached US\$ 572.71 billion.
- Private equity-venture capital (PE-VC) sector investments stood at US\$ 34.1 billion, up 28% YoY, across 711 deals through January-June 2022.
- India's merchandise exports stood at US\$ 676.2 billion in FY22. In June 2022, India's merchandise exports stood at US\$ 37.9 billion, recording the highest ever exports in June 2022.
- PMI Services was at 58.9 in May 2022 compared to 57.9 in April 2022.

- In June 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 1.44 trillion (US\$ 18.1 billion).
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 588.53 billion between April 2000-March 2022.
- In May 2022, the Index of Industrial Production (IIP) stood at 137.7 driven by mining, manufacturing and electricity sectors.
- Consumer Price Index (CPI) inflation stood at 7.01% in June 2022 compared to 7.04% in May 2022.
- In July 2022 (until 21 July 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 228,862 crore (US\$ 28.65 billion)
- Wheat procurement in Rabi 2021-22 and anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

## GOVERNMENT INITIATIVES

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over the recent decade, India's rapid economic growth has led to a substantial increase in demand for exports. Moreover, many of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission and the Atal Mission for Rejuvenation and Urban Transformation, are aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In July 2022, the Union Cabinet chaired by the Prime Minister, Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India and Maldives. This MoU will provide a platform to tap the benefits of IT for court digitisation, and can be a potential growth area for IT companies and start-ups in both the countries.
- India and Namibia entered into an MoU on wildlife conservation and sustainable biodiversity utilisation on July 20, 2022, for establishing the cheetah's habitat in the historical forest range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly-developed artificial intelligence (AI) products and technologies during the first-ever "AI in Defence" (AIDef) symposium and exhibition, organised by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022:
  - Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow.
  - The projects encompass diverse sectors such as Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace and Handloom & Textiles.
  - The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked an MoU with Lysterra, LLC, a Russia-based company, for the commercialisation of biocapsule, an encapsulation technology for bio-fertilisation on June 30, 2022.
  - As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners, including major trade agreements such as the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
  - The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to

increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).

- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept “f “One Station, One Products” was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Indians'ia's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.

- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise Rs. 4 lakh crore (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

## ROAD AHEAD

Despite continuing geopolitical concerns, rising interest rates in the US and India and high prices of crude oil and few other commodities, economic activity in India is holding up better than anticipated. Electricity consumption, manufacturing PMI, exports, power supply and other high-frequency indicators indicate that the pace of economic activity has fully recovered from the COVID-19 pandemic shock. Economic growth is anticipated to be fueled by the effective implementation of PLI schemes, development of renewable energy sources while diversifying import dependence on crude oil and bolstering of the banking sector. Recent government initiatives to boost revenue will aid in containing the rise in the current account deficit and ensure that any potential fiscal slippage is adequately contained. Overall, the first ten days of July and June were better than the first two months of FY 2022–23, which is a cause for comfort and even cautious optimism in these testing times. According to a Boston Consulting Group (BCG) analysis, India is expected to be the third-largest consumer economy as its consumption may quadruple to US\$ 4 trillion by 2025 due to changes in consumer behaviour and spending patterns. By 2040, India is anticipated to overtake the US to become the second-largest economy in terms of purchasing power parity (PPP), according to a report by PricewaterhouseCoopers. (Source : <https://www.ibef.org/economy/indian-economy-overview>)

## INDIAN FURNITURE MARKET

The Indian furniture market has traditionally been a largely unorganised one, for long dependent on local carpenters for customised wood-based products. But this trend is changing partly due to changing preferences of consumers and partly due to administrative compliance issues. The market was dominated by a large number of small and local manufacturers till recently but as a result of the changing consumers preference for quality products along with increased formalisation of the economy due to implementation of GST, organised players' market share is expanding. Meanwhile, Indian furniture industry has moved beyond living and bed rooms thanks to growing income of middle-class population and their fast changing tastes and preferences. Also, through the decades, the Indian furniture market has progressed. The market has expanded way beyond chairs and tables, including designed interiors such as wardrobes and sofas. With the arrival of MNCs like IKEA, the share of the organised players in the market is expected to expand further.

India is also known for its rich handcraft and appealing traditional art and style which also has had its impact on furniture industry. In fact, the Indian furniture business is noted for its fine craftsmanship, traditional art, and elegance.

The growth of the real estate market coupled with co-working business spaces is also driving the development of the furniture sector. As the Indian economy recovers from the impact of COVID-19, India's furniture market is on an upward trajectory. In recent years, of course, ignoring the Covid-years, the sentiments are very positive because the consumers have started placing more emphasis on their home, especially with respect to furniture and furnishing. The rise of the

middle class, increasing urbanisation and preference for branded products are greatly helping the growth of Indian furniture market.

### **Huge exports potential**

India's share in global furniture exports is meagre in size as the sector was never considered for forex generation. However, things are changing globally and if we play our cards well the sector can become major forex earner for the economy. The global demand for furniture is growing while there are capacity bottlenecks in key furniture exporting countries such as Vietnam. Globally, there is an increased thrust to reduce dependency on China which is also another key furniture exporting country. All of these factors could help the Indian furniture industry in gaining significant share within the furniture exports market. Currently, India's top furniture export destination includes US, Germany, France, UK, Netherlands, and Australia. In addition, the government's emphasis on making India an export hub will create significant export growth potential.

### **Online Space**

The advent of e-commerce platforms has led to the Indian furniture market broadening its reach. The market players are now capable of providing 3D image options of furniture using the online sales channel and exploit internet to showcase their designs. This is helping consumers to choose the best furniture for their needs. The growing popularity of online and mobile shopping in India is expected to boost online furniture demand. The category has witnessed massive growth over the past few years, with the pandemic accelerating this shift. While the Indian online furniture market currently constitutes only 3% of the overall organised furniture sector, it has been growing at a strong pace for the past few years.

According to some estimates, the online furniture spend is expected to touch US\$ 2.2 billion with 5 million unique shoppers by FY 2025-26 vis-à-vis 1.8 million shoppers in FY 2020-21.

The industry is further fuelled by the increasing trend of work-from home and learning-from-home, brought about by the pandemic. This is leading to a demand for home-office set-ups, study tables, work tables, as well as other furniture solutions.

Thus, Indian furniture industry is in the process of transforming both from supply and demand sides. Along with this transformation, industry is witnessing new avenues of growth. Simultaneously, the government is also recognising the export potential of the industry and is supporting the industry actively. So, the industry is in for good times ahead.

(Source: <https://sawdust.online/industry-trends/indian-furniture-industry-sitting-on-an-easy-chair/>)

### **2022 Trends in the Furniture Industry**

Thanks in part to a societal-wide uptick in time spent at home, 2021 saw only hastened growth in the furniture industry, which officially doubled its volume from 2000 to last year. That amounts to over \$500B per annum in revenue worldwide, with interest in Living Room Furniture driving the market. And growth is only expected to increase. Analysts have predicted an industry CAGR of 5.1% through 2022, presumably amounting to around \$600B in global sales and \$160B in US sales. Reports also suggest that millennials will continue to make up the bulk of the prime furniture-buying demographic as they age into the 40-55 age range.

Along with the steady growth in the demand for furniture items has come new tastes and trends across the furniture market. In this article, we outline these trends as well the new opportunities and threats resulting from the new developments.

### **Opportunities**

#### **Heightened Lifestyle Expectations**

Despite financial challenges over the pandemic, consumers have experienced in general an increase in disposable income, and with it, heightened lifestyle expectations. Certain demographics, such as urbanites, have grown accustomed to greater luxury and convenience, allowing them not only to increase spending on furniture but also more expensive furniture items.

Smart furniture, as mentioned before, has particularly found higher demand.

#### **Rise of Sales Channels**

The pandemic spurred an upsurge in online shopping, which has strengthened eCommerce opportunities across all industries, including furniture. Moreover, new technologies have adapted and improved the remote shopping experience.



Augmented reality (AR), for instance, has afforded customers an immersive virtual browsing experience. Popular AR furniture shopping applications can be found here.

### **Work-from-Home**

Remote work is still the norm for a large portion of workers, with some companies even deciding to go digital in the long term. As a result, the need for home office setups will help drive the sales of certain items like desks, chairs, and workspace accessories.

### **Threats**

#### Logistical Complications

While the pandemic has contributed to a host of favourable trends in the furniture industry, it has also introduced certain complications, including supply chain issues. Worker shortages and increased regulations have at times bottlenecked deliveries, both from manufacturers to stores and stores to consumers. This bottleneck can make keeping up with customer demand difficult for businesses. Ideally, this issue is short-term and will find a remedy when the pandemic eventually eases.

### **Demographic Changes**

Traditionally the largest furniture-buying segment, the Baby Boomer population is shrinking. Such a decrease will leave somewhat of a consumer vacuum for furniture over the next decade.

### **Unemployment and Inflation**

Both unemployment and inflation have risen in recent years and remain at heightened levels. As with every other industry, these metrics will increasingly discourage furniture buying the higher they rise.

(Source : <https://www.channelgate.io/blogs/2022-trends-in-the-furniture-industry>)

The global office furniture market size was valued at USD 44.27 billion in 2021. The market is projected to grow from USD 48.64 billion in 2022 to USD 80.62 billion by 2029, exhibiting a CAGR of 7.48% during the forecast period. Indian office furniture market is estimated to be around 45,000 Crores growing at a CAGR of 15% .

Workplaces or business spaces consider furniture as their centerpiece objects, such as a chair, tables, and others, that are moveable and used to support various human activities at the workplace. Furniture settings at commercial spaces such as corporate spaces, business establishments, co-working spaces, and others are essential to set the right environment and ambiance of the workplace to be safe, relaxing, and comfortable for all employees. In addition, furniture plays a vital role in the productivity of employees.

The office furniture industry comprises various large and small pieces of equipment that contribute to the ambiance and atmosphere of the organization. The products with the highest demand are office chairs, tables, and storage units. They can be manufactured with wood, steel, and others based on the design and requirements. The products can be brought through online and offline sales channels per the consumer's requirement of quantity and feasibility.

Workspaces throughout the years have changed their designs from cubicles to more modern and interactive workplaces based on the evolving demand from consumers. The consumers are various companies and modern-day start-ups, believing the company's culture, values, and vision are reflected through its interiors. The market has seen a paradigm shift in designs, sales channels, and consumer demands over the last few years, owing to technological advancements among market players and consumer base.

(Source: <https://www.fortunebusinessinsights.com/office-furniture-market-106234>)



## OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the detailed financial and other information included in this Red Herring Prospectus, including the information contained in the section titled **“Risk Factors”**, beginning on page no. 31 of this Red Herring Prospectus.

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information about our Company and its financial statements, including the notes thereto, in the section titled **“Risk Factors”**, **“Financial Statements”** beginning on page no. 31 and 154 respectively, of this Red Herring Prospectus.

Unless otherwise stated or the context otherwise requires, in relation to business operations, in this section of this Red Herring Prospectus, all references **“o”**, **“we”**, **us**, **“our”** and **“our Company”** are to **“Transteel Seating Technologies Limited”**. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements.

### **OVERVIEW OF OUR BUSINESS**

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.

#### **Our Core business is as follows:**

Transteel, a furniture provider, has been catering to businesses of all sizes for over two decades. However, in 2019, we took a considerable leap by adopting a digital-first approach, transforming the way customers engage with our brand. This shift has made it convenient for customers to browse and purchase our diverse range of furniture online.

We are a known furniture provider with over 20 years of corporate and B2B experience. Our Company has developed the skill and expertise in making chairs, office furniture and other residential and commercial furniture. Over the years we have continued to focus on what we do well i.e. craft performance oriented Tables and Chairs. Our furniture solutions are a mix of design, value, and ergonomics, which ensure that your back stays in good shape, day after day. We have also developed the in house Technical & Design team to provide turnkey solution and implementation of interior and work space in Commercial, Residential and Educational Institutions. Our aim is to develop creative and innovative Designs in furniture space and to develop techniques to make all products as part of “Make in India” initiative. Our Company’s proficiency lies in understanding the specific requirement of our potential customers and based on which we take the orders and we design according to the client’s requirements and deliver the final product. We provide wide assortment of products, such as Office Chairs and Office Furniture. Our professionals are devoted to develop a product range capable to gain a nationwide interest for its finish, designs, colour combinations, flawless detailing, quality and higher durability.

Our company has its manufacturing facility situated at No. 28, 4<sup>th</sup> Main, Industrial Suburb, Yeshwanthpur, Bangalore-560022, Karnataka, India. We outsource the mould of our products to the vendors for preparing them as per our requirements, these mould are then given to Injection moulding vendors to mould the part of the products. Once the parts are ready they are sourced to the factory where we have developed assembly lines to assemble each product. Also, some of the products are manufactured at our factory. Our company have also expanded its presence in Mumbai, Chennai, Delhi NCR, Pune and Hyderabad. The following tables gives a view of sales across India.

#### **Location Wise Breakup of Our Revenue**

**The Breakup of the same is as follows:**

<b>Year</b>	<b>Bangalore</b>	<b>Chennai</b>	<b>Hyderabad</b>	<b>Delhi NCR</b>	<b>Mumbai</b>	<b>Pune</b>	<b>Others</b>
<b>FY 2020-2021</b>	37 %	15%	18%	15%	5%	NA	10%
<b>FY 2021-2022</b>	30 %	15%	20%	20%	10%	0	5%
<b>FY 2022-2023</b>	30 %	15%	20%	20%	10%	3%	2%

We believe that we have differentiated ourselves from our competitors through introduction of new products, including launching new designs targeted at addressing consumer needs, market trends and providing better value to our consumers.

Our diversified product portfolio enables us to cater to a wide range of preferences and consumer segments. Our products are ready to use and provide space management and are primarily targeted to clients in Education, Healthcare, Hospitality, Banking, Insurance and Info Tech Companies.

The company provides the right kind of furniture that is practical and affordable as well as attractive and enduring. It can be tailored as per unique needs. The company is using latest machineries and technology. The company keeps on upgrading its Manufacturing set-up, design capabilities and workmanship to deliver superior quality products with on-time deliveries and without any compromise on quality.

At Transteel, we prioritize customer satisfaction above all. We understand that the customer journey begins the moment they visit our website and extends until they receive their furniture. Hence, we strive to offer the best possible experience at every touchpoint. Whether it's seamless website navigation, comprehensive product information, effortless purchasing process, or prompt delivery, our aim is to provide an exceptional experience that exceeds customer expectations.

With our digital-first approach, we have empowered customers to effortlessly transform their office spaces by selecting furniture that suits their requirements, style, and budget. Transteel has extensive product range with better quality, and a customer-centric approach. We look forward to serving more businesses and individuals with our exceptional furniture solutions as we forge ahead into the future.

Recently, our company has acquired a property measuring 2,100 Sq. ft. from the promoters of the company, the said property was acquired by issuing shares to the promoters. The company is in process of converting the said property into a showroom for its products. The property is currently been leased out on rent and the company is driving rental income from the said property. Since the property along with the land belongs to the company and is situated in a renowned area of Bangalore, hence company plans on opening a showroom at the said property, which would add value to the company.

Transteel delivers and installs all its products through our team of in-house technicians. Third party logistics is used only for shipment from our factory to the branch godowns and subsequently to the customer premises.

Our company is promoted by Ms. Nasreen Shiraz and Mr. Shiraz Ibrahim. Our promoters have a combined experience of over 26 years in the Furniture Industry. Driven by passion for building an integrated furniture provider company, our Promoters have been the pillars of our Company's growth since inception. With their enriching experience and progressive thinking, we aim to continue to grow in the furniture Industry India and abroad.

### Revenue Wise Breakup of Our Online and Offline Orders

Transteel's generates its revenue from online, offline and Omni Chanel. However, Transteel facilities Omnichannel commerce as well. Omnichannel refers to the way organizations might tailor the customer experience for individuals across physical and digital channels. That is depending on the customer's preference i.e. Direct orders on our website or Backend orders placed by us on behalf of the customer on our website, Purchase order and order form signed during a store visit.

Transteel acquires customers with a digital first approach. The use our digital asset based on Google platforms to dominate and drive traffic to our website. We then acquire customers using an omnichannel approach based on the customers preferences. Transteel has a strong brand recall due our 25+ Year association with the corporate segment.

**The Breakup of the same is as follows:**

Year	Online Orders %	Offline Orders %	Omni Chanel (Combo of Offline & Online) %	Particulars
FY 2020-2021	100%	NA	NA	Due to pandemic situation such as Covid, entire revenue generated was from Online Orders only.
FY 2021-2022	80%	20%	NA	With ease in Covid effects, along with Online orders, we had received order offline as well.
FY 2022-2023	40%	30%	30%	Post Covid, the customer's preference shifting to brand discovery online and transaction completion with a combination of both offline & offline. That is having a personal feel of furniture and ease of placing orders online.

### AFTER SALE SERVICES

Transteel provides a one-year warranty to its retail customers and two years to its larger corporate customers.

We provide the following after sales services:

- a) Inspection services: To inspect the furniture and recommend any preventative maintenance that is to be done / suggest a change in any component that is broken down due to usage.
- b) Paid Service: We offer replacement of consumable parts of the office furniture like locks, handles, gas lift, castors etc. against order from customer.
- c) Change of upholstery: Renewal services on office furniture by changing the fabric, foam, laminate etc.
- d) Relocation services: Dismantling, packing, transportation and reassembly of the furniture at the new location.”

## OUR PRODUCTS

1. **WFH -Work from Home Furniture:** WFH furniture refers to furniture specifically designed or suited for working from home. This can include items such as home office desks, ergonomic office chairs, and laptop stands. The furniture is designed to provide a comfortable and functional workspace, while also being stylish and fitting in with the comfort of a home. With the current trend of working remotely, WFH furniture has become increasingly popular.



2. **Ergonomic Chair:** An ergonomic chair is one that is built to support the human body – it takes a holistic approach in helping the body maintain good posture, sit comfortably, and work optimally from that chair. To enable this, these chairs offer adjustable height, lumbar support and armrests.



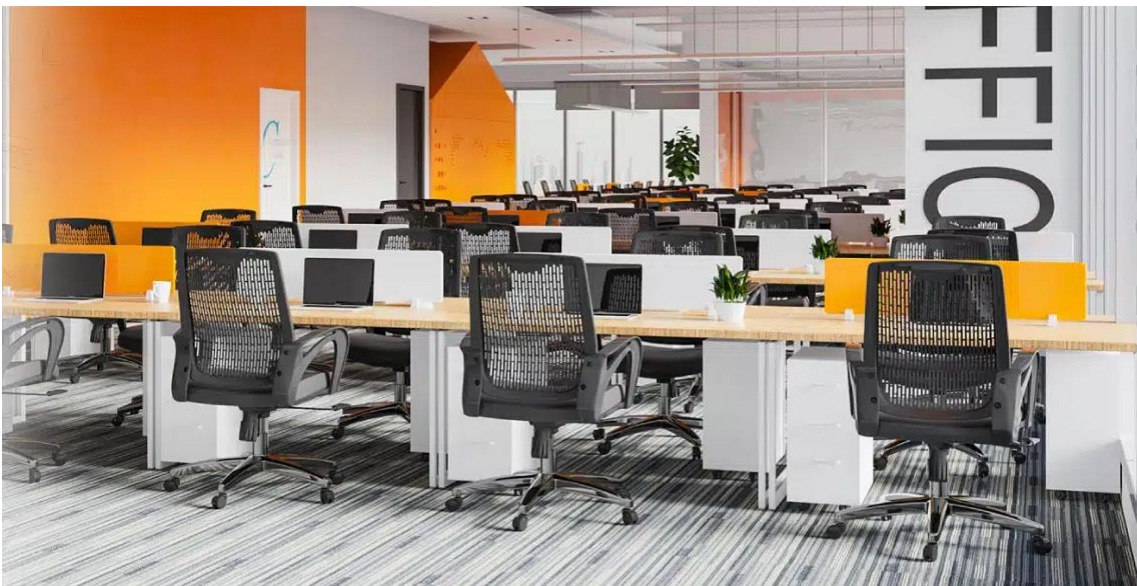
3. **Office Table:** The office table is a modular furniture system that offers the perfect solution for office spaces.



**WORKSTATION:** A workstation is a space where an individual performs everyday work-related tasks. For instance, this includes a desk, writing area, computer space, and document storage space in an office setting. The workstation's function is to give the user a place to conduct their routine business in an organized manner.



**OFFICE STORAGE AND OFFICE FURNITURE:**



For more products please visit to our website <https://wfh.transteel.com/>



## KEY PERFORMANCE INDICATORS OF OUR COMPANY

(₹ In Lakhs)

Key Financial Performance	April 01, 2023 to September 30, 2023	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	3,125.67	5,947.95	2,798.86	2,281.15
EBITDA <sup>(2)</sup>	807.34	1,543.53	388.07	137.22
EBITDA Margin % <sup>(3)</sup>	25.83%	25.95%	13.87 %	6.02%
PAT	417.64	909.36	159.08	(0.59)
PAT Margin % <sup>(4)</sup>	13.36%	15.29%	5.68%	(0.03) %
Networth <sup>(5)</sup>	2,860.86	2,444.11	629.71	470.63
RoE % <sup>(6)</sup>	14.60%	37.21%	25.26%	(0.13)%
RoCE% <sup>(7)</sup>	15.34%	36.69%	32.95%	11.84%

### Notes:

<sup>(1)</sup> Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest Expense - Other Income

<sup>(3)</sup> 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by Revenue from Operations.

<sup>(5)</sup> Net worth means the aggregate value of the Paid-up Share Capital and Reserves and Surplus of the company less Deferred Tax Assets.

<sup>(6)</sup> Return on Equity ratio is calculated as of Profit after Tax divided by Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long term borrowings.

## OUR COMPETITIVE STRENGTHS

### Experienced Promoters

Our Promoters have played a key role in guiding, developing, and growing our business. Under the leadership and experience of our Promoters, our company has seen significant growth in the overall business. Our Promoters, have a proven background and experience in the Industry.

Our Company is managed by a team of personnel having experience in domestic and international markets. The team comprises of personnel having technical, operational, and business development experience in Furniture Industry. We believe that our management team's experience and their understanding of the industry, regulatory affairs, manufacturing, quality control, sales, marketing, and finance will enable us to continue to take advantage of both current and future market opportunities within India and Abroad.

We believe our Promoters and Management's overall experience and vision will enable us to manage and grow our business in the existing markets and to enter new geographies with our competitive advantage.

### Sales, marketing, and distribution capabilities

We have been supplying our products Pan India. We believe that our widespread domestic presence not only mitigates the risk of dependence on a few regions. We have dedicated sales and marketing team. This team focuses on generating significant demand for our products in India. This division also works on maintaining the existing clients and acquiring new clients for our products.

### Brand Positioning:

The company believes in providing the customers value for their money and have positioned the furniture at an affordable price with a focus on the Corporate, middle & affordable home segment. The company believes that there is an untapped market in the middle income segment which is both brand conscious and aspirational in nature. The company feels it is targeting one of the fastest growing segments, having an increasing level of disposable income. Our brands give us a broader platform to market our products to our customers.

### Quality Assurance and Control

We follow a practice of testing our products for the desired quality and customer requirement before dispatching & installation the same to the customers. We perform test such as visual inspection, mechanical test, Insulation resistance test, operational test, Continuity test and temperature & strength test to ensure the quality and safety of the products.

## OUR BUSINESS STRATEGY

We envisage long term growth by building long term relations with customers. In line with this vision, our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our strengths and expanding the operations of our business. We intend to focus on our existing projects with specific emphasis on the following factors as business and growth strategy:

### Leveraging our Market skills and Relationships

Our Company believes that our business is a by-product of relationships. This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

### Enhance customer base and to establish long-term relationships

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. We propose to increase our marketing and sales team which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence in additional regions will enable us to reach out to a larger population. Further our company believes in maintaining long term relationship with our customers in terms of increased sales. We aim to achieve this by value adding value to our customers through innovation, quality assurance and timely delivery of our products.

### To build-up a professional organization

As an organization, we believe in transparency and commitment in our work and with our customers. We have an experienced team for taking care of our day-to-day operations. We also consult with external agencies on a case-to-case basis on technical and financial aspects of our business. We will consistently put efforts among its group of experienced employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the Organization.

## OUR BUSINESS MODEL

Our company has developed and source business in three models

**Digital Direct to Business:** Our digital first model enables us to quickly identify and market to businesses of various sizes who are in the market for ergonomic office furniture. We then strive to close these orders through our ecommerce website, company operated experience centres and also through our dedicated inside sales professionals from our digital team.

**Business to Business:** Obtained orders via tenders or presentation. Our scope of work from Design & Drawing as per specification, area and need of client till implementation of interiors and furniture. We provide solution for space planning, office furniture, flooring and blinds.

**Tender & Bulk supply:** We take part in Government and other large Institutional tenders for supply of bulk customised office furniture and related products.

**Turnkey Projects:** Obtained orders via tenders or presentation. Our scope of work from Design & Drawing as per specification, area and need of client till implementation of interiors and furniture. We provide solution for space and utility, Air conditioning, Work station, flooring, roofing, windows and sound proofing.

**Interior and Supply Furniture:** We supply tailor made furniture and installation as per the specification and need of clients.

**Supply Ready to use furniture:** We have developed the standard design and size of desk, bed, work station, wardrobe and various products which can be ready to use.

## SWOT ANALYSIS OF OUR COMPANY

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Digital First approach towards customer acquisition gives market access almost instantly</li> <li>• Product Quality gives a market edge from most of the suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>• Dependent upon growth in Furniture Industry &amp; Competition from China and International suppliers</li> <li>• Requirement of Finance to cater at National level</li> <li>• Limited market share &amp; presence in few segments</li> </ul>



<ul style="list-style-type: none"> <li>• Manufacturing of modular furniture, demand for which is continuously rising.</li> <li>• Competitive edge in terms of quality and competitive bidding.</li> <li>• Marketing &amp; distribution network.</li> <li>• Experience of the Promoters in the Field.</li> </ul>	<ul style="list-style-type: none"> <li>• Customers service at door to door at National level</li> <li>• Competitors can offer similar products quickly</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Growing acceptance by consumers of Modular furniture</li> <li>• Rise in the demand for products in emerging areas – Education, Office and Household segments.</li> <li>• E commerce and Online sale is growing and we can cater on national level easily</li> <li>• Development of specialised products suitable for Affordable housing has huge demand</li> </ul>	<ul style="list-style-type: none"> <li>• Changes in government policies.</li> <li>• Fluctuations in raw material prices.</li> <li>• Rising labour wages.</li> <li>• Change of behaviour of consumer demand.</li> <li>• Increase in Input cost can cause upward pricing.</li> <li>• Too many players entering and exiting the market.</li> </ul>

## SALES, MARKETING AND DISTRIBUTION

Our Sales and Marketing team keeps a track of new leads and stay in touch with our existing customers for procuring and execution of orders. We undertake a detailed exercise periodically to identify existing and prospective clients with the potential to develop into a large clientele base. The senior management is actively involved in managing client relationships and business development through targeted interaction with multiple contacts at different levels. In order to maintain good relation with our customers, our promoters and our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of our customers. Our prime consideration for customer selection is timely payments and consistency in purchases. We market and sell our products across India directly and through various dealers and distributors.

## MARKETING STRATEGY

We have a sales and marketing team focusing on customer development and maintaining customer relationship. This team is also responsible for the marketing of our products, negotiating prices, procuring repeat orders and ensuring timely dispatch and deliveries. Our sales team has built long-term relationships with a number of our customers. As a response to the same, our Company bids for the particular order. Our sales and marketing team replies with quotations to such enquires and we receive purchase orders subject to acceptance of quotations or final negotiations.

## HUMAN RESOURCE

Human resource is the key element for our Company's growth strategy and handling the day-to-day activities within the organization. We focus on attracting and retaining the best possible talent. Our team is a blend of experienced professionals. Our Company does not have any Employee Unions. As of March 31, 2023, we had 178 Employees in our company. The Bangalore office is our principal corporate office which conducts administrative and reporting activities for us and extends support to factory. We have not experienced any material strikes, work stoppages, labour disputes or actions by or with our employees.

## COMPETITION

The Indian Furniture industry has historically been dominated by major entities and unorganized players, which aggregates major market share, as the industry presents significant entry barriers. These market entry barriers include the development of an extensive distribution network through long-term relationships with dealers, as well as significant marketing costs and the establishment of a distinct brand to gain product acceptance. We compete with these smaller companies as well on the strength of our distribution network, brand recognition and ability to leverage our dealer relationships. We believe we are well-positioned to compete with these companies given our differentiated strategy where we seek to fulfil unmet product requirements, while at the same time offering a complete range of furniture's across India. With over a decade of operating history and the quality of our products, our product development capability and our range of products for different purpose, we believe that we have the competitive strengths in the market in India.

## COLLABORATIONS

We have not entered into any technical or financial or any other collaboration agreement as on the date of filing the Red Herring Prospectus.

## INFRASTRUCTURE

Our registered office and corporate office are well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly. Our factory spread over 2.5 Acres has computer controlled Metal and Wood working machinery which enables us to efficiently produce office furniture at affordable prices

## IMPORTS-EXPORTS AND IMPORT-EXPORT OBLIGATIONS

There are no Import- Export Obligation as on date of filing this Red Herring Prospectus.

## OUR PROPERTIES

Our Registered Office, Godown and Showroom are leased by our Company. The detail of our property is as follows:

### Property Owned by the company:

Sr. No.	Location	Name of Seller	Document and Date	Consideration (Rs in lakh)	Usage
1.	Land and Building situated at 4 <sup>th</sup> main, 3 <sup>rd</sup> cross, HAL III stage, Bangalore- 560008, Ward No 74.	Mr. Shiraz Ibrabim and Ms. Nasreen Shiraz	December 13, 2023	600.80	Given on Rent

### Properties taken on lease by our company

Sr. No	Location	Name of Lessor	Document and Date	Rent (In Rs) (per month)	Period of Agreement		Usage
					From	To	
1.	No. 28, 4th Main, Industrial Suburb, Yeshwanthpur, Bangalore- 560022, Karnataka, India	M/s The Sunrise Industrials Syndicate	July 11, 2017	6,00,000.00	July 11, 2017	July 10, 2027	Registered Office
2.	47, Linden Street, Off Palm Grove Road, Austin Town, Bangalore- 560047.	Ms. K. Sowbhagya	March 09, 2019	1,13,455.00	April 01, 2019	March 31, 2024	Showroom
3.	Shop no. 11, Gems Court at Old No. 14, New No. 25, Khader Nawaz Khan Road, Chennai- 600006.	Mr. Mohammed Habibur Rahman and Ms. Nasreen Akhter	July 25, 2023	60,000.00	July 25, 2023	June 24, 2024	Showroom
4.	No. A4, 1st Floor, Gems Court", 25 Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006.	Mr. V. Krithik	April 29, 2023	62,538.00	May 01, 2023	March 31, 2024	Showroom
5.	Khasra No. 654, Talab Road, Village Ghitorni, Bakshi Farm Road, New Delhi-110030	Mr. Rajpal & Ms. Rameshwari	July 16, 2022	45,000.00	August 15, 2022	August 14, 2025	Godown
6.	414 / 1, opp. Metro Pillar No. 123, near Hanuman Mandir MG Road, Ghitorni, New Delhi 110030.	Mr. Ramlakhan, Mr. Mastram, Ms. Sushila, Ms. Poonam, Ms. Deepa, Ms. Sangram, Mr. Darpan	August 01, 2018	1,75,000.00	August 01, 2018	January 31, 2025	Showroom

		Lohia, Mr. Bharat Lohia					
7.	Unit No. 102, Ashoka Capitol, house No. 8-2-120-/76/7, 8-2-120/76/7/1, 8-2-120/76/8, 8-2-120/76/8/1, 8-2-120-76/1, Road No. 2, Banjara Hills, Hyderabad-500034, Telangana.	Simran Chhabra	February 16, 2017	2,34,518.00	March 01, 2017	February 28, 2024	Showroom
8.	Gala no. 29-C, Shree Laxmi Jyot IPCS Limited, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400053.	Mr. Kanti Hirji Niser	September 08, 2023	2,30,000.00	September 01, 2023	August 31, 2026	Showroom
9.	Elegaza Crest, A 02, Sindhubhavan Marg, Near. Sigma House, Bodakdev, Ahmedabad, Gujarat-380059.	Mr. Indrapalsingh Bagga and Jasbir Kaur Bagga	May 06, 2023	2,75,000.00	April 01, 2023	March 31, 2028	Showroom
10.	Office at ground floor, Kunal House, No. 796 / A2, Bhandarkar Road, Near Kamla Nehru Park, Deccan, Pune-411004.	Mr. Hemendra D Shah, Mr. Hemendra D Shah (HUF), Ms. Kalpana Hemendra Shah, Mr. Ramesh G Shah (HUF), Ms. Rajashri Ramesh Shah, Mr. Jitendra S Mehta (HUF) and Ms. Neeta Jitendra Mehta	February 01, 2023	3,00,000.00	February 01, 2023	January 31, 2028	Showroom

#### CAPACITY AND CAPACITY UTILIZATION

##### Capacity Utilization Calculation for the period April 01, 2023 to September 30, 2023

Sr. No.	Products	Chair	Furniture
A	Maximum Capacity in SKU Nos	62,400	54,600
B	Actual Production in SKU Nos	37,206	30,758
Capacity Utilization % (B/A)		59.63	56.33

##### Capacity Utilization Calculation for FY 22-23

Sr. No.	Products	Chair	Furniture
A	Maximum Capacity in SKU Nos	124,800	109,200
B	Actual Production in SKU Nos	73,008	60,840
Capacity Utilization % (B/A)		58.50	55.71

##### Capacity Utilization Calculation for FY 21-22

Sr. No.	Products	Chair	Furniture
A	Maximum Capacity in SKU Nos	124,800	109,200
B	Actual Production in SKU Nos	39,312	28,080
Capacity Utilization % (B/A)		31.50	25.71

Capacity Utilization Calculation for FY 20-21			
Sr. No.	Products	Chair	Furniture
A	Maximum Capacity in SKU Nos	124,800	109,200
B	Actual Production in SKU Nos	32,448	22,464
Capacity Utilization % (B/A)		26.00	20.57


#### INSURANCE POLICIES

Our company has the following insurance policies as on date of filing of Red Herring Prospectus.

Sr. No.	Type of Policy	Sum Assured	Insurance Company	Policy No.	Valid from & Valid till
1	General Insurance Policy	₹ 6,40,00,000	ICICI Lombard General Insurance Company Limited	1017/285948 876/00/000	March 28, 2023 to March 27, 2024

#### INTELLECTUAL PROPERTY

As on the date of the Red Herring Prospectus, our Company has made application for registering 48 trademarks. For details of registered and applied trademarks, please refer the chapter titled *Government and Other Statutory Approvals* beginning on page no. 181 of this Red Herring Prospectus.

Sr. No.	Word/ Label/ Mark/Design	Application No. / Design No.	Class	Registration/Application date	Status/ Validity
1.		Trademark No. 1256840	20	December 22, 2003 and Renewed on December 22, 2013	Registered

#### FINANCIAL INDEBTEDNESS OF THE COMPANY

As on the date of this Red Herring Prospectus, our Company has availed unsecured loans. For further details, please refer to the section *Statement of Financial Indebtness* beginning on page no. 155 of this Red Herring Prospectus.

## KEY INDUSTRY REGULATIONS AND POLICIES

*Except as otherwise specified in this Red Herring Prospectus, we are subject to several central and state legislations which regulate substantive and procedural aspects of our business.*

*Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business of trading in furniture and working with, architects, designers, developers, builders, large businesses, small businesses, and individual clients. Taxation statutes such as the I.T. Act, and applicable Labour laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for professional legal advice.*

### APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “**Government and Other Statutory Approvals**” beginning on page 181 of this Red Herring Prospectus.

### APPLICABLE LAWS AND REGULATIONS

#### INDUSTRY SPECIFIC/BUSINESS/TRADE RELATED LAWS/REGULATIONS

##### **Bureau of Indian Standards Act, 2016**

The Bureau of Indian Standards Act, 2016, as amended (the “Bureau of Indian Standards Act”), provides for the establishment of a bureau for the standardization, marking and quality certification of goods. The Bureau of Indian Standards Act provides for the functions of the Bureau which include, among others (a) adopt as an Indian standard, any standard established for any goods, article, process, system or service by any other institution in India or elsewhere; (b) specify a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any goods, article, process, system or service in relation to which the standard mark has been used conforms to the relevant standard or whether the standard mark has been properly used in relation to any goods, article, process, system or service with or without a license.

##### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”)**

MSME Act, 2006 was enacted to promote and enhance the competitiveness of micro, small and medium enterprises. The Central Government is empowered to classify by notification, any class of enterprises including inter alia a company, partnership firm, or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry mentioned in the First Schedule to Industries (Development and Regulation) Act, 1951 and in case of an enterprise engaged in services as a micro enterprise, where investment in plant and machinery or equipment does not exceed ₹ 1 Crore and turnover does not exceed ₹ 5 Crores; a small enterprise where investment in plant and machinery or equipment does not exceed ₹ 10 Crores and turnover does not exceed ₹ 50 Crores; or a medium enterprise where investment in plant and machinery or equipment does not exceed ₹ 50 Crores and turnover does not exceed ₹ 250 Crores.

#### LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED

##### **Shops and Establishments legislations in various states**

The provisions of various shops and establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

##### **Stamp Act in various states**

The purpose of Stamp Act is to streamline and simplify transactions of immovable properties and securities by a State Government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in

Schedule IA of the Stamp Act. Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the states. Therefore, the State Government of Karnataka, is empowered to prescribe or alter the stamp duty as per their need.

### **Professions, Trade, Callings and Employments Act in various states**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of Karnataka is empowered with the responsibility of structuring as well as formulating its professional tax criteria and is also required to collect funds through professional tax. The professional taxes are levied on the income of individuals, profits of business or gains of vocations. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such persons before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such persons and employer has to obtain the registration from the assessing authority in the prescribed manner.

## **ENVIRONMENT RELATED LAWS**

### **Environment Protection Act, 1986 and Environment (Protection) Rules, 1986**

The Environmental Protection Act, 1986 is an umbrella legislation designed to provide a framework for coordination of the activities of various central and state authorities established under various laws. The ambit of the Act is broad, with "environment" defined to include water, air and land and the inter-relationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

### **National Green Tribunal Act, 2010**

Under the National Green Tribunal Act 2010 for effective and expeditious disposal of cases relating to environmental protection and conservation of forests and other natural resources including enforcement of any legal right relating to environment and giving relief and compensation for damages to persons and property and for matters connected therewith or incidental thereto. It is a specialized body equipped with the necessary expertise to handle environmental disputes involving multidisciplinary issues. The Tribunal shall not be bound by the procedure laid down under the Code of Civil Procedure, 1908, but shall be guided by principles of natural justice

### **Plastic Waste (Management) Rules, 2016 (the “Plastic Rules”)**

The Plastic Waste (Management) Rules, 2016 apply to every waste generator, local body, Gram Panchayat, manufacturer, importers, and producer. The Plastic Rules aim to bring in the responsibilities of producers and generators, both in plastic waste management system and to introduce collect back system of plastic waste by the producers/brand owners, as per extended producer’s responsibility. Responsibility of waste generators is being introduced under the Plastic Rules. Individual and bulk generators like offices, commercial establishments, industries are to segregate the plastic waste at source, handover segregated waste, pay user fee as per bye-laws of the local bodies.

### **The Water (Prevention and Control of pollution) Act, 1974 (the “Water Act”)**

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, who is empowered to establish standards and conditions that are required to be complied with.

### **The Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)**

The Air (Prevention and Control of Pollution) Act, 1981 has been enacted to provide for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.



## GENERAL CORPORATE COMPLIANCE

### Companies Act, 2013 (the “Companies Act”)

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on August 29, 2013.

The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act.

Further, Schedule V (read with Sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as a Director or Managing Director or Manager of a Company. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said Schedule.

### The Registration Act, 1908 (the “Registration Act”)

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

## EMPLOYMENT AND LABOUR LAWS

### The Code on Wages, 2019 (the “Code”)

The Code received the assent of the President of India on August 8, 2019. The Code is yet to be notified by the Central Government. The Code will replace the four existing laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remunerations Act, 1976. The Code will apply to all employees and allows the Central Government to set a minimum statutory wage.

The four existing laws are as follows:

- **The Payment of Wages Act, 1936**

The Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

- **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the Schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

- **The Payment of Bonus Act, 1965 (the “PoB Act”)**

The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

- **The Equal Remuneration Act, 1976**

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention of discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The Act was enacted with the aim of state to provide ‘Equal Pay for Equal Work’ as envisaged under Article 39 of the Constitution of India.

### **Factories Act, 1948 (the “Factories Act”)**

The Factories Act, 1948, as amended, defines a “factory” to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

### **Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“the EPF Act”) and the Employees’ Provident Fund Scheme, 1952**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

### **Employees’ Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under Section 6C of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer’s contribution and also Central Government’s contribution to the insurance fund shall be credited to an account called as “Deposit-Linked Insurance Fund Account.”

### **The Employees’ Pension Scheme, 1995**

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this Act. Every employee who is member of EPF or PF has an option of the joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the all the employees who are members of the fund.

### **Employees’ State Insurance Act, 1948 (the “ESI Act”)**

It is an Act to provide for certain benefits to employees in case of sickness, maternity and ‘employment injury’ and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

### **The Employees’ Compensation Act, 1923 (the “Employees’ Act”)**

The Employees’ Compensation Act, 1923 provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the Employees’ Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employees’ Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees’ Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death/serious bodily injury.

### **Equal Remuneration Act, 1976 (the “Remuneration Act”)**

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers

and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

#### **Industrial Disputes Act, 1947 (the “ID Act”)**

The Industrial Disputes Act, 1947 provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal, or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workers. The ID Act further provides for direct access for the workers to labour courts or tribunals in case of individual disputes and provided for the constitution of grievance settlement machineries in any establishment having twenty or more workers.

#### **Payment of Gratuity Act, 1972 (the “Act”)**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

#### **Maternity Benefit Act, 1961 (the “Act”)**

The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

#### **Trade Unions Act, 1926 (the “Act”)**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

#### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the “Act”)**

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or

local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Child Labour (Prohibition and Regulation) Act, 1986 (the “CLPR Act”)**

The “CLPR Act seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

### **The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code are to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

### **The Code on Social Security, 2020**

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee’s Compensation Act, 1923, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers’ Welfare Cess Act, 1996 and the Unorganized Workers’ Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees’ provident fund, employees’ state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

### **Industrial Relations Code, 2020**

The Industrial Relations Code Bill, 2020 proposed for amalgamating, simplifying and rationalising the relevant provisions of three Acts. Trade Unions Act, 1926. Industrial Employment (Standing Orders) Act, 1946. Industrial Disputes Act, 1947

## **TAX RELATED LEGISLATIONS**

### **Income Tax Act, 1961 (the “IT Act”)**

The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

### **Central Goods and Services Tax Act, 2017 “the “GS” Act”)**

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state is levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a

consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

## **ANTI-TRUST LAWS**

### **Competition Act, 2002 (the “Act”)**

The Act is to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The Act deals with prohibition of anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

## **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Negotiable Instrument Act 1881, Employment Exchanges (Compulsory Notification Of Vacancies) Act, 1959, Consumer Protection Act 2019, Indian Contract Act, 1872, Transfer of Property Act, 1882, Information Technology Act, 2000 etc.

## **OTHER LAWS:**

### **Foreign Exchange Management Act, 1999 (“FEMA”)**

FEMA was enacted by the Government of India to replace the erstwhile Foreign Exchange Regulation Act, 1947 (“FERA”). The Act was aimed at consolidating and amending the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India. FEMA has removed restrictions on trade in goods and services to and from India, except for the enabling provision for the Central Government to impose reasonable restrictions in the interest of public when required.

### **Foreign Trade (Development and Regulation) Act, 1992 (the “Act”)**

The Act regulates and governs the foreign policy of India in relation to trade of goods and services. The Act was enacted in the year 1992 as a replacement of the Import and Exports (Control) Act, 1947. The objective of the Act was to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. Through the Foreign Trade (Development and Regulation) Amendment Act of 2010, "services" was also included in the ambit of import and export of trade in the purview of the Act.

### **Foreign Direct Investment**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular. The Reserve Bank of India (“RBI”) also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.



## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### **BRIEF HISTORY AND CORPORATE PROFILE**

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.

Mr. Shiraz Ibrahim and Mr. Amber A. Rao were the initial subscribers to the Memorandum of Association of our Company.

Our Company is promoted by Mr. Shiraz Ibrahim and Ms. Nasreen Shiraz

For information on our Company’s business profile, activities, services, managerial competence, and customers, see chapters titled, “*Our Business*”, “*Financial Statements as Restated*”, and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 107, 154 and 155 respectively of this Red Herring Prospectus.

### **CHANGES IN OUR REGISTERED OFFICE**

At present our Registered Office is located No.28, 4th Main, Industrial Suburb, Yeshwanthpur, Bangalore- 560022, Karnataka, India. Prior to this, following changes were made in the location of our Registered Office:

From	To	With effect from	Reason for change
No.10A, 10th Cross, 1st Stage, Peenya Industrial Estate, Bangalore, Karnataka, 560058, India.	No. 28, 4th Main, Industrial Suburb, Yeshwanthpur, Bangalore- 560022, Karnataka, India	March 15, 2019	To increase Operational Efficiency

### **MAJOR EVENTS AND MILESTONES**

The table below sets forth some of the key events in the history of our Company:

Year	Particulars
1995	Incorporation of the Company
1995	Started Manufacturing Ergonomic Furniture to cater to the needs of the Indian IT companies that were being setup in and around Bangalore
1997	Moved to larger factory to address the growing demands of the IT Sector
2001	Acquired orders from Infosys, ITC, Bosh as corporate accounts. Expanded to Chennai to diversify clientele in 2001
2006-2017	Acquired more corporate accounts like IBM, Sony, SBI etc. and executed work on a Pan India basis.
2018	Moved to a built to suite 2.5-acre 50,000 sq. ft. fully integrated manufacturing facility.
2019	Digital first Direct to Consumer pivot in response to Covid 2019
2020	Opened Mumbai Branch
2022	Conversion of Company from Private Limited to Public Limited Company

### **MAIN OBJECTS OF OUR COMPANY**

The object clause of the Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised in the present Issue.

Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The main object of our Company is:

1. To Manufacture and sale in India and abroad of Furniture’s and Furniture systems whether made of steel, wood or any other material suitable for the purposes.
2. To import, export, purchase, sell, distribute and otherwise deal in furniture and furniture systems.



3. To carry on the business as fabricators, designers, assemblers, traders and dealers in distributors, agents for Indian and foreign manufactured furniture's, components thereof and accessories, parts and spares used therein of all description.

#### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY

The following changes have been made in the Memorandum of Association of our Company in last ten (10) years:

Date of Meeting	Meeting	Nature of Amendment
January 17, 2007	EGM	<b>Increase in Authorised Capital:</b> Increase in Authorised Share Capital from ₹ 5.00 Lakh to ₹ 25.00 Lakh.
November 04, 2022	EGM	<b>Increase in Authorised Capital:</b> Increase in Authorised Share Capital from ₹ 25.00 Lakh to ₹ 2100.00 Lakh.
November 04, 2022	EGM	<b>Alteration of Name Clause:</b> Alteration of name clause by way of conversion of company from Private Limited to Public Limited i.e., Change of name from "Transteel Seating Technologies Private Limited" to "Transteel Seating Technologies Limited"
February 25, 2023	EGM	<b>Subdivision of Shares:</b> Equity Shares of the Company having face value of ₹ 100 to be sub-divided into Equity Shares of ₹ 10 each

#### DETAILS REGARDING ACQUISITION OF BUSINESS / UNDERTAKINGS, MERGERS, AMALGAMATIONS OR REVALUATION OF ASSETS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years.

#### DETAILS REGARDING HOLDING / SUBSIDIARY, ASSOCIATE COMPANIES AND JOINT VENTURE

As on date of filing of this Red Herring Prospectus, our Company does not have any Holding or Associate Company or Joint Venture or a Subsidiary company.

#### CAPACITY / FACILITY CREATION, LOCATION OF PLANTS

For information on our Company's business profile, Capacity and location of Plant, see chapters titled, "**Our Business**" on page 107 of this Red Herring Prospectus.

#### GUARANTEES PROVIDED BY OUR PROMOTERS

As on the date of this Red Herring Prospectus, no guarantee has been issued by Promoters except as disclosed in the "**Statement of Financial Indebtedness**" on page 155 of this Red Herring Prospectus.

#### CHANGES IN THE ACTIVITIES OF OUR COMPANY SINCE INCORPORATION

There have been no changes in the activities of our Company since incorporation which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

#### DEFAULTS OR RESCHEDULING OF BORROWINGS FROM FINANCIAL INSTITUTIONS / BANKS

There have been no defaults or rescheduling / restructuring of borrowings with financial institutions / banks in respect of borrowings of our Company.

## LOCK OUTS AND STRIKES

There have been no lock outs or strikes at any of the units of our Company.

## TIME AND COST OVER RUNS

Our Company has not implemented any projects and has therefore, not experienced any time or cost overrun in setting up of projects.

## SHAREHOLDERS' AGREEMENTS

As on the date of this Red Herring Prospectus, our Company has not entered into any Shareholders' Agreements.

## AGREEMENTS WITH KEY MANAGERIAL PERSONNEL, SENIOR MANAGERIAL PERSONNEL OR A DIRECTOR OR PROMOTER OR ANY OTHER EMPLOYEE OF THE COMPANY

Except as mentioned in Chapter titled '*Our Management*' beginning on page 127 of this Red Herring Prospectus, there are no agreements entered into by key managerial personnel or a Director or Promoter or Senior Management or any other employee of the Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

## MATERIAL AGREEMENTS

As on the date of this Red Herring Prospectus, our Company has not entered into any material agreements other than in the ordinary course of business carried on by our Company. For details on business agreements of our Company, please refer to the section titled '*Our Business*' beginning on page 107 of this Red Herring Prospectus.

### Other Agreements:

- i. **Non-Compete Agreement:** Our Company has not entered into any No-compete Agreement as on the date of filing of this Red Herring Prospectus.
- ii. **Joint Venture Agreement:** Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Red Herring Prospectus.

## STRATEGIC PARTNERS

As of the date of this Red Herring Prospectus, our Company does not have any Strategic Partners.

## FINANCIAL PARTNERS

As on the date of this Red Herring Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

## KEY TERMS OF OTHER SUBSISTING MATERIAL AGREEMENTS

Our Company has not entered into any other subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company.

## REVALUATION OF ASSETS

Our Company has not revalued its assets since the date of incorporation.

## OUR MANAGEMENT

Under Articles of Association of our Company, the number of directors shall not be less than 3 (three) and not be more than 15 (Fifteen), subject to the applicable provisions of the Companies Act, 2013.

As of the date of this Red Herring Prospectus, our Company has 5 (Five) Directors on the Board, 2 (Two) as Executive Director, 1 (One) as Non-Executive Directors and 2 (Two) as Independent Directors.

Set forth below are details regarding the Board of Directors as on the date of this Red Herring Prospectus:

Name, Father's / Husband's Name, Age, Designation, Address, Occupation, Nationality, DIN and Term	Date of Appointment / Reappointment	Other Directorships / Designated Partners
<p><b>Mr. Shiraz Ibrahim</b></p> <p><b>DOB:</b> October 15, 1969</p> <p><b>Age:</b> 54 Years</p> <p><b>Qualification:</b> Bachelor in Mechanical Engineering</p> <p><b>Designation:</b> Managing Director</p> <p><b>Address:</b> B-21, Good Earth Patterns, Off Mysore Road, Kengeri, Near RR Medical College Kumbalagoodu, Bengaluru-560060, Karnataka, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 00812527</p> <p><b>Term:</b> Re-appointed as Managing Director of the Company for a period of 5 years w.e.f. May 20, 2023 upto May 19, 2028</p>	<p>Appointed as Director w.e.f. February 08, 1995</p> <p>Reappointed as Managing Director of the Company w.e.f. December 15, 2006.</p> <p>Reappointed as Managing Director of the Company for a period of 5 years w.e.f. May 20, 2023 upto May 19, 2028.</p>	<p><b>Companies</b></p> <p>Liquid Metal Furniture Private Limited</p> <p><b>Limited Liability Partnerships</b></p> <p>Nil</p>
<p><b>Ms. Nasreen Shiraz</b></p> <p><b>DOB:</b> November 06, 1974</p> <p><b>Age:</b> 48 Years</p> <p><b>Qualification:</b> Bachelor of Commerce</p> <p><b>Designation:</b> Executive Director</p> <p><b>Address:</b> B-21, Good Earth Patterns, Off Mysore Road, Kengeri, Near RR Medical College Kumbalagoodu, Bengaluru-560060, Karnataka, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 00581065</p> <p><b>Term:</b> Appointed as Director w.e.f. June 27, 1996.</p>	<p>Appointed as Director w.e.f. June 27, 1996.</p>	<p><b>Companies</b></p> <p>Liquid Metal Furniture Private Limited</p> <p><b>Limited Liability Partnerships</b></p> <p>Nil</p>

Name, Father's / Husband's Name, Age, Designation, Address, Occupation, Nationality, DIN and Term	Date of Appointment / Reappointment	Other Directorships / Designated Partners
<p><b>Mr. Karan Atul Bora</b></p> <p><b>DOB:</b> June 05, 1993</p> <p><b>Age:</b> 30 Years</p> <p><b>Qualification:</b> Bachelor of Engineering in Civil and Environmental Engineering</p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Address:</b> E 404, 10 Kasturkunj, ICS Colony, Bhosale Nagar, Ganeshkhind Road, Near Pune University, Shivaji Nagar, Pune-411007, Maharashtra, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 08244316</p> <p><b>Term:</b> Liable to retire by rotation</p>	<p>Appointed as Non-Executive Director of the Company w.e.f. November 04, 2022.</p>	<p><b>Companies</b></p> <p>a) Markolines Technologies Private Limited</p> <p>b) Anantnath Realtors Private Limited</p> <p>c) Markolines Infra Private Limited</p> <p>d) Markolines Pavement Technologies Limited</p> <p>e) Resgen Limited</p> <p>f) Comercinate Enterprises Private Limited</p> <p><b>Limited Liability Partnerships</b></p> <p>Nil</p>
<p><b>Mr. Mukesh Singh</b></p> <p><b>DOB:</b> October 26, 1975</p> <p><b>Age:</b> 47 Years</p> <p><b>Qualification:</b> Bachelor of Technology in Computer Science &amp; Technology</p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> B/17 Patterns, Goodearth Malhar, Kengeri, Kumbalagodu, Bengaluru, Karnataka-560074, India.</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 00182998</p> <p><b>Term:</b> Appointed as Independent Director of the Company w.e.f. May 20, 2023 for a term of five consecutive years.</p>	<p>Appointed as Independent Director of the Company w.e.f. May 20, 2023 for a term of five consecutive years.</p>	<p><b>Companies</b></p> <p>a) Moonlander E-Commerce Private Limited</p> <p>b) Raramuri Technology Private Limited</p> <p>c) Zopsmart Technology Private Limited</p> <p><b>Limited Liability Partnerships</b></p> <p>a) Raramuri Consultancy Services LLP</p> <p>b) Interiit Think Systems LLP</p>
<p><b>Ms. Rina Sharma</b></p> <p><b>DOB:</b> November 18, 1964</p> <p><b>Age:</b> 58 years</p> <p><b>Qualification:</b> Bachelor of Arts (Hons)</p> <p><b>Designation:</b> Independent Director</p>	<p>Appointed as Independent Director of the Company w.e.f. May 20, 2023 for a term of five consecutive years.</p>	<p><b>Companies</b></p> <p>a) Enviro Oil Savers Association</p> <p><b>Limited Liability Partnerships</b></p> <p>Nil</p>

Name, Father's / Husband's Name, Age, Designation, Address, Occupation, Nationality, DIN and Term	Date of Appointment / Reappointment	Other Directorships / Designated Partners
<p><b>Address:</b> 83, Sector-41, Near Prayag Hospital, Noida Gautam Buddha Nagar, Noida-201301, Uttar Pradesh, India.</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 08557373</p> <p><b>Term:</b> Appointed as Independent Director of the Company w.e.f. May 20, 2023 for a term of five consecutive years.</p>		

### Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel, Senior Managerial Personnel or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which of the directors was selected as a director or member of senior management.

### BRIEF PROFILE OF OUR DIRECTORS

**Mr. Shiraz Ibrahim**, aged 54 years, is the Founder, Promoter and Managing Director of our Company. He is the Director of the Company since Incorporation of the Company. He was reappointed as Managing Director of the Company w.e.f. December 15, 2006 and later reappointed as Managing Director with effect from May 20, 2023 for a period of 5 years. He has a Bachelor in Mechanical Engineering from University of Mysore completed in the year 1991. He is a visionary entrepreneur and has played a pivotal role in setting up business of our Company. He primarily looks after the overall business operations of the Company. Under his guidance, our Company has witnessed continuous growth. As Managing Director of Transteel Seating Technologies Limited, he has been leading the company's vision, strategy, and growth for over 28 years. With a strong background in Mechanical Engineering and a passion for digital first approach to business, he is instrumental in expanding Transteel's market presence, customer base, and product portfolio. He fostered a culture of innovation, quality, and customer satisfaction within the organization. Some of the key achievements include securing multiple large contracts with reputed clients, launching new product lines, and establishing strategic partnerships with global suppliers and distributors.

**Ms. Nasreen Shiraz**, aged 48 years, is the Promoter and Executive Director of the Company. She was appointed as Appointed as Director w.e.f. June 27, 1996. She has been associated with company since its incorporation. She has more than 26 years of experience. She is an experienced entrepreneur and Director driving growth and innovation at Transteel Seating Technologies Limited. She is the core member of the board. Her advices and opinion are invaluable. She holds bachelor's degree in commerce with a keen eye for design and love working together with the team in delivering amazing workspaces to Indian corporates and Small & Medium businesses.

**Mr. Karan Atul Bora**, aged 30 is the Non-Executive Director of our Company. He was Appointed as Non-Executive Director of the Company w.e.f. November 04, 2022. He has around 4 years of experience across sectors in Operations, Finance, Project Management and Business Development. He is an Innovative thinker with broad based expertise. He has proven ability to quickly analyse key business drivers and develop strategies to grow the bottom-line. He is a high integrity energetic leader known for ability to envision and create successful outcomes in complex situations.

**Mr. Mukesh Singh**, aged 47 is appointed as an Independent Director of our company with effect May 20, 2023 for a term of five consecutive years. He has completed his Bachelor of Technology in Computer Science & Technology from Indian Institute of Technology Kanpur in the year 1997. He has experience in the area of keeping the company up-to-date with latest business trends, developing better business techniques and practices. He has been associated with ZopSmart as its founder.

**Ms. Rina Sharma**, aged 58 is appointed as an Independent Director of our company with effect from May 20, 2023 for a term of five consecutive years. She has completed his Degree of Bachelor of Arts (Hons) from Jawaharlal Nehru University, New Delhi in the year 1986. She is working with an NGO as the Chief Operating Officer from March 2021. Also, she is a specialist in designing and delivering sensitisation workshops.

## CONFIRMATIONS

- a) Except as stated below, none of the Directors and Key Managerial Personnel or Senior Management of our Company are related to each other as per Section 2(77) of the Companies Act, 2013.

Sr. No.	Name of Director	Name of Director	Relationship
1.	Mr. Shiraz Ibrahim	Ms. Nasreen Shiraz	Spouse

- b) There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors or Key Managerial Personnel or Senior Management were selected as a Director or Member of Senior Management.
- c) There are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- d) As on the date of this Red Herring Prospectus, none of our directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.
- e) As on the date of this Red Herring Prospectus, none of our Directors are Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- f) As on the date of this Red Herring Prospectus, none of our director is or was a director of any listed Company during the last 5 (five) years preceding the date of this Red Herring Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such Company.
- g) As on the date of this Red Herring Prospectus, none of our director is or was a director of any listed Company which has been or was delisted from any stock exchange during the term of their directorship in such Company.
- h) As on the date of this Red Herring Prospectus, none of the Promoter, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other Company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- i) No proceedings / investigations have been initiated by SEBI against any Company, the Board of Directors of which also comprises any of the Directors of our Company.

## REMUNERATION / COMPENSATION TO OUR DIRECTORS

The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force). Set forth below is the remuneration payable by our Company to our Directors for a financial year:

(₹ in Lakh)

Sr. No.	Name of Director	Remuneration shall not exceed
1.	Mr. Shiraz Ibrahim	90.00
2.	Ms. Nasreen Shiraz	90.00
	<b>Total</b>	<b>180.00</b>

Remuneration paid for F.Y. 2022-23, the directors have been paid gross remuneration as follows:

(₹ in Lakh)

Sr. No.	Name of Director	Remuneration paid
1.	Mr. Shiraz Ibrahim	71.00
2.	Ms. Nasreen Shiraz	51.00
	<b>Total</b>	<b>122.00</b>



## TERMS AND CONDITIONS OF EMPLOYMENT OF OUR DIRECTORS

### Mr. Shiraz Ibrahim

Mr. Shiraz Ibrahim, is the Founder, Promoter and Managing Director of our Company. He is the Director of the Company since Incorporation of the Company. He was later Re-appointed as Managing Director of the Company for a period of 5 years w.e.f. May 20, 2023 upto May 19, 2028. The significant terms of his employment are as below:

<b>Remuneration</b>	Upto ₹ 90.00 Lakh per annum
<b>Bonus and Profit-sharing Ratio</b>	Not Applicable
<b>Term</b>	Appointed as Managing Director for a period of 5 (five) years commencing from May 20, 2023.
<b>Remuneration in the event of loss or inadequacy of profits</b>	In the event of inadequacy or absence of profits in any financial years during his tenure, the Director will be paid remuneration as mentioned in Schedule V as may be approved by the Shareholders of the Company.

### Ms. Nasreen Shiraz

Ms. Nasreen Shiraz, is the Executive Director of the Company. She was appointed as Appointed as Director w.e.f. June 27, 1996. She has been associated with company since its incorporation. She has been associated with company since its incorporation. The significant terms of his employment are as below:

<b>Remuneration</b>	Upto ₹ 90.00 Lakh per annum
<b>Bonus and Profit-sharing Ratio</b>	Not Applicable
<b>Term</b>	Appointed as Director w.e.f. June 27, 1996.
<b>Remuneration in the event of loss or inadequacy of profits</b>	In the event of inadequacy or absence of profits in any financial years during her tenure, the Director will be paid remuneration as mentioned in Schedule V as may be approved by the Shareholders of the Company.

## SITTING FEES

The payment of sitting fees to the Non-Executive Director and Independent Directors of the Company for attending the meeting of the Board of Directors and meetings of the Committees of the Board of Directors in following manner:

Sr. No.	Name of Director	Fees for attending the meeting of	
		Board of Directors	Committee Meetings
1.	Mr. Karan Atul Bora	₹ 5,000.00 per Meeting	₹ 5,000.00 per Meeting
2.	Mr. Mukesh Singh	₹ 5,000.00 per Meeting	₹ 5,000.00 per Meeting
3.	Ms. Rina Sharma	₹ 5,000.00 per Meeting	₹ 5,000.00 per Meeting

## PAYMENT OF BENEFITS

Except to the extent of remuneration payable to the Managing Director & Executive Director for services rendered to our Company and to the extent of other reimbursement of expenses payable to them as per their terms of appointment, our Company has not paid in the last 2 (two) years preceding the date of this Red Herring Prospectus, and does not intend to pay, any amount or benefits to our directors.

## PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY

Except as stated otherwise in this Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, since the incorporation, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made regularly by our Company towards provident fund, gratuity fund and employee state insurance.

## REMUNERATION PAID TO OUR DIRECTORS BY OUR SUBSIDIARY

As on date of this Red Herring Prospectus, our Company do not have a subsidiary.

## BONUS OR PROFIT-SHARING PLAN FOR OUR DIRECTORS

None of our Directors are a party to any bonus or profit-sharing plan.

## SHAREHOLDING OF DIRECTORS IN OUR COMPANY

Our Articles of Association do not require our Directors to hold qualification shares.

As on date of this Red Herring Prospectus, our Directors hold the following number of Equity Shares of our Company:

Sr. No.	Name of Directors	No. of Equity Shares Held (Pre-Issue)	% of pre-Issue capital
1	Mr. Shiraz Ibrahim	26,25,680	19.60%
2	Ms. Nasreen Shiraz	80,53,910	60.13%
3	Mr. Karan Atul Bora	5,38,200	4.02%
4	Mr. Mukesh Singh	Nil	Nil
5	Ms. Rina Sharma	Nil	Nil

## SHAREHOLDING OF DIRECTORS IN OUR SUBSIDIARY

As on date of this Red Herring Prospectus, our Company does not have a subsidiary.

## INTEREST OF OUR DIRECTORS

Our Managing Director & Executive Director may be interested to the extent of remuneration paid to them, respectively for services rendered as a Directors of our Company and reimbursement of expenses payable to them. For details, please refer “Terms and conditions of employment of our Managing Director and Executive Director” above. Further, all our Non-Executive and Independent Directors may be interested to the extent of fees payable to them and / or the commission payable to them for attending meetings of the Board of Directors or a committee thereof. The Independent Directors are paid sitting fees for attending the meetings of the Board and Committees of the Board and may be regarded as interested to the extent of such sitting fees and reimbursement of other expenses payable to them as per their terms of appointment.

Three of our Directors Mr. Shiraz Ibrahim, Ms. Nasreen Shiraz, Mr. Karan Atul Bora may be deemed to be interested in the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them if any.

### Interest in promotion of our Company

Except Mr. Shiraz Ibrahim and Ms. Nasreen Shiraz, none of our Directors have any interest in the promotion or formation of our Company as of the date of this Red Herring Prospectus.

### Interest in the property of our Company

Except as stated in the chapter titled “*Related Party Transaction*” beginning on page 152 of Red Herring Prospectus, our Directors have not entered into any contract, agreement or arrangements within a period of 2 (two) years preceding the date of this Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them. Further our directors do not have any interest in any immovable property to be acquired by the Company except otherwise disclosed in the heading titled “*Our Properties*” under the chapter titled “*Our Business*” beginning on page 107 of this Red Herring Prospectus.

### Interest as Creditor of our Company

As on the date of this Red Herring Prospectus, except as stated in the chapter titled “*Statement of Financial Indebtedness*” and heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*”, our Company has not availed loans from Directors of our Company.

### Interest in the business of Our Company

Further, save and except as stated otherwise in “*Statement of Related Parties’ Transactions*” in the chapter titled “*Financial Statements as Restated*” of this Red Herring Prospectus, our directors do not have any other interests in our

Company as on the date of this Red Herring Prospectus. Our directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

### Interest in transactions involving acquisition of land

Our directors are not currently interested in any transaction with our Company involving acquisition of land. Except as stated / referred to under the heading titled **“Our Properties”** under chapter titled **“Our Business”** beginning on page 107 of this Red Herring Prospectus, our directors have not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

### Interest as Member of a Company or Firm

Except as stated in this chapter the section titled **“Related Party Transactions”** and the chapter **“Our Business”** beginning on page 152 and 107 of this Red Herring Prospectus respectively, our Directors do not have any other interest in our business

### Other Interests

Except as stated above, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our directors or to the firms or companies in which they are interested as a member by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or Company in which he is interested, in connection with the promotion or formation of our Company.

Further, our directors may be directors on the board, or are members, or are partners, or are trustees of certain Group Entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to such Group Entities. For the payments that are made by our Company to certain Group Entities, please refer chapters titled **“Financial Statements as Restated”** and **“Related Party Transactions”** beginning on page 154 and 152 of this Red Herring Prospectus.

## CHANGES IN OUR BOARD DURING THE LAST THREE YEARS

Except as disclosed below, there have been no changes in our Board during the last 3 (three) years.

Sr. No.	Directors	Date of Event	Event
1.	Mr. Karan Atul Bora	November 04, 2022	Appointed as Non-Executive Director
2.	Mr. Shiraz Ibrahim	May 18, 2023	Reappointed as Managing Director
3.	Mr. Mukesh Singh	May 20, 2023	Appointed as Independent Director
4.	Ms. Rina Sharma	May 20, 2023	Appointed as Independent Director

## BORROWING POWERS OF OUR BOARD

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by our shareholders at their Extra Ordinary General Meeting held on May 20, 2023, our shareholders have authorized our Board to borrow any sum of money from time to time notwithstanding that the sum or sums so borrowed together with the monies, if any, already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceed the paid up capital and free reserves of the Company provided such amount does not exceed ₹ 10,000.00 Lakhs over and above the aggregate of the paid up share capital and free reserves which may have not been set apart for any purpose.

## APPOINTMENT OF RELATIVES OF DIRECTORS TO ANY OFFICE OR PLACE OF PROFIT

Except as disclosed in this Red Herring Prospectus, none of the relatives of our directors currently hold any office or place of profit in our Company.

## **POLICIES ADOPTED BY OUR COMPANY**

Our Company has adopted the following policies:

- a) Policy on Code of Conduct for Directors and Senior Management
- b) Policy of Audit Committee
- c) Policy of Nomination and Remuneration Committee
- d) Policy of Stakeholder Relationship Committee
- e) Policy of Internal Complaint Committee
- f) Policy on Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information
- g) Policy on Disclosure and Internal Procedure for Prevention of Insider Trading
- h) Policy on Whistle Blower and Vigil Mechanism
- i) Policy on Related Party Transactions (RPT)
- j) Policy for Preservation of Documents and Archival of Documents
- k) Policy for Prevention of Sexual Harassment
- l) Policy on Materiality for Disclosures of events to Stock Exchanges
- m) Policy on Code of Independent Directors and Familiarization of Independent Director
- n) Policy for identification of Materiality of outstanding Litigations involving Company, its subsidiary, Directors, Promoter and other Group Companies
- o) Policy on Material Outstanding due to the Creditors

## **CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013 with respect to Corporate Governance, provisions of the SEBI (LODR) Regulation, 2015 will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, in respect of corporate governance including constitution of the Board and Committees thereof.

The Corporate Governance framework is based on an effective Independent Board, the Board's Supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full board or through the various committees constituted to oversee specific operational areas.

As on the date of this Red Herring Prospectus, there are 5 (Five) Directors on our Board out of which one third are Independent Directors. Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI (LODR) Regulation, 2015 and the Companies Act, 2013.

## COMMITTEES OF OUR BOARD

The following committees have been constituted in terms of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013:

- a) Audit Committee
- b) Stakeholders' Relationship Committee
- c) Nomination and Remuneration Committee
- d) Corporate Social Responsibility Committee
- e) Internal Complaints Committee

### Audit Committee

Our Company has constituted an Audit Committee ("Audit Committee"), as per Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015; vide resolution passed at the meeting of the Board of Directors held on May 30, 2023.

The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the SEBI (LODR) Regulation, 2015, proposed to be entered into with the Stock Exchange in due course.

The committee presently comprises the following 3 (Three) directors:

Sr. No.	Name of Director	Status in Committee	Nature of Directorship
1	Mr. Mukesh Singh	Chairman	Independent Director
2	Ms. Rina Sharma	Member	Independent Director
3	Mr. Shiraz Ibrahim	Member	Managing Director

The Company Secretary & Compliance Officer of our Company shall act as the Secretary to the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18(3) of the SEBI (LODR) Regulation, 2015.

### Meetings of Audit Committee and Quorum

As required under Regulation 18 of the SEBI (LODR) Regulation, 2015, the Audit Committee shall meet at least 4 (four) times in a year, and not more than 120 (one hundred twenty) days shall elapse between two meetings. The quorum shall be two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent members present.

### Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- a) To investigate any activity within its terms of reference;
- b) To seek information from any employee;
- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

### Role of Audit Committee

The role of the Audit Committee shall include the following:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- b) Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of statutory auditor of the Company;
- c) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- d) Approving payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- e) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013, as amended;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by the management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with SEBI Listing Regulations and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions; and
  - vii. Qualifications / modified opinion(s) in the draft audit report.
- f) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
- g) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- h) Approval or any subsequent modification of transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered into by our Company subject to such conditions as may be prescribed;
- i) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- j) Scrutinizing of inter-corporate loans and investments;
- k) Valuing of undertakings or assets of the Company, wherever it is necessary;
- l) Evaluating of internal financial controls and risk management systems;
- m) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- p) Discussing with internal auditors of any significant findings and follow up there on;
- q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- r) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;



- s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- t) Reviewing the functioning of the whistle blower mechanism;
- u) Approving the appointment of the Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
- v) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and / or specified / provided under the Companies Act, 2013 or SEBI Listing Regulations or by any other regulatory authority.

Further, the Audit Committee shall mandatorily review the following information:

- a) management discussion and analysis of financial condition and results of operations;
- b) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) internal audit reports relating to internal control weaknesses; and
- e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); (b) annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).

#### **Stakeholders' Relationship Committee**

Our Company has constituted a shareholder / investors grievance committee "Stakeholders' Relationship Committee" to redress complaints of the shareholders. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on May 30, 2023.

The Stakeholders' Relationship Committee comprises:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
1	Mr. Mukesh Singh	Chairman	Independent Director
2	Ms. Nasreen Shiraz	Member	Executive Director
3	Mr. Shiraz Ibrahim	Member	Managing Director

The Company Secretary & Compliance Officer of our Company shall act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholders' Relationship Committee and its terms of reference shall include the following:

#### **Tenure**

The Stakeholder's Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder's Relationship Committee as approved by the Board.

#### **Meetings**

The Stakeholder's Relationship Committee shall meet at least 1 (one) time in a year. The Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders.

#### **Role of the Stakeholders' Relationship Committee**

The Committee shall consider and resolve grievances of security holders, including but not limited to:

- a) Efficient transfer of shares including review of cases for refusal of transfer / transmission of shares and debentures;
- b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate / split / consolidated share certificates;
- c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of shares and debentures;
- d) Allotment and listing of shares in future;
- e) Review of cases for refusal of transfer / transmission of shares and debentures;
- f) Reference to statutory and regulatory authorities regarding investor grievances;
- g) Ensure proper and timely attendance and redressal of investor queries and grievances; and
- h) To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

### **Nomination and Remuneration Committee**

Our Company has constituted a Nomination and Remuneration Committee in accordance Section 178 of Companies Act, 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on May 30, 2023.

The Nomination and Remuneration Committee comprises the following Directors:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
1	Mr. Mukesh Singh	Chairman	Independent Director
2	Ms. Rina Sharma	Member	Independent Director
3	Mr. Karan Atul Bora	Member	Non-Executive Director

The Company Secretary & Compliance Officer of our Company shall act as the Secretary of the Nomination and Remuneration Committee.

The scope and function of the Committee and its terms of reference shall include the following:

#### **Tenure**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

#### **Meetings**

The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including atleast one independent director in attendance.

#### **Role of the Nomination and Remuneration Committee not limited to but includes:**

- a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulating of criteria for evaluation of performance of independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identifying persons who are qualified to become directors of our Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. Our Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report of our Company;

- e) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- f) Analyzing, monitoring and reviewing various human resource and compensation matters;
- g) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- h) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), usually consisting of a fixed and variable component;
- i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- j) Performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits) Regulations, 2014;
- k) Framing suitable policies, procedures and systems to ensure that there is no violation, by and employee id any applicable laws in India or Overseas, including:
  - i. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - ii. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, our Company and its employees, as applicable.”
- l) Performing such other activities as may be delegated by the Board of Directors and / or specified / provided under the Companies Act, 2013 or SEBI Listing Regulations or by any other regulatory authority.

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee shall formulate and recommend a CSR policy to the Board, the Company has constituted a Corporate Social Responsibility Committee pursuant to resolution of the Board of Directors dated May 2023. The Corporate Social Responsibility Committee shall recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the company, monitor the CSR policy of the Company from time to time and establish the transparent controlling mechanism for the implementation of the CSR projects or programs or activities undertaken by the company as per the requirements of the Companies Act, 2013, Listing Agreement and SEBI LODR for Corporate Governance.

The Corporate Social Responsibility Committee comprises the following members:

Sr. No.	Name of Director	Status in Committee	Nature of Directorship
1	Mr. Mukesh Singh	Chairman	Independent Director
2	Mr. Karan Atul Bora	Member	Non-Executive Director
3	Mr. Shiraz Ibrahim	Member	Managing Director

*Role of the Corporate Social Responsibility Committee not limited to but includes:*

We further confirm that atleast one Director is an Independent Director.

Company Secretary & Compliance Officer of our Company shall act as the secretary to the Corporate Social Responsibility Committee.

### Measures

In the aforesaid backdrop, policy on CSR of Transteel Seating Technologies Limited is broadly framed taking into account the following measures:

The CSR activities shall be undertaken by Transteel Seating Technologies Limited, as stated in this Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

The CSR activities which are exclusively for the benefit of Transteel Seating Technologies Limited employees or their family members shall not be considered as CSR activity.

Transteel Seating Technologies Limited shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities.

The Board of Transteel Seating Technologies Limited may decide to undertake its CSR activities as recommended by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company pursuant to Section 135 of the Companies Act, 2013 and rules made there-under.

The following is the list of CSR projects or programs which Transteel Seating Technologies Limited plans to undertake pursuant to Schedule VII of the Companies Act, 2013:

- a) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- d) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- e) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- f) measures for the benefit of armed forces veterans, war widows and their dependents;
- g) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- h) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- i) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- j) rural development projects;

Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

### **Organisational mechanism and responsibilities**

#### Constitution of Corporate Social Responsibility Committee

The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee of the Board ("CSR Committee") consisting of three or more directors, out of which at least one director shall be an independent director.

#### **The CSR Committee shall –**

- a) Formulate and recommend to the Board, a CSR policy and activities to be undertaken by the company as per Schedule VII;
- b) Recommend the amount of expenditure to be incurred on the activities; and
- c) Monitor the Policy of the company from time to time.

The Board of the company shall after taking into account the recommendations made by the CSR Committee, approve the policy for the company and disclose contents of such Policy in its report and also place it on the company's website and ensure that the activities as are included in the CSR Policy of the company are undertaken by the company.

Transteel Seating Technologies Limited provide the vision under the leadership of its Managing Director, Mr. Shiraz Ibrahim.

At the Company, the Managing Director takes on the role of the mentor, while the onus for the successful and time bound implementation of the CSR activities / projects is on the HR Head and CSR teams.

To measure the impact of the work done, a social satisfaction survey / audit is carried out by an external agency.

**Activities, setting measurable targets with timeframes and performance management:**

Prior to the commencement of CSR activities / projects, we carry out a baseline study of the nearby area / villages of the Company's Site Locations.

The study encompasses various parameters such as – health indicators, literacy levels, sustainable livelihood processes, and population data – below the poverty line and above the poverty line, state of infrastructure, among others.

From the data generated, a 1-year plan and a 5-year rolling plan are developed for the holistic and integrated development of the affected people.

All activities / projects of CSR are assessed under the agreed strategy, and are monitored every quarter / year, measured against targets and budgets. Wherever necessary, midcourse corrections are made.

**Budgets**

A specific budget is allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.

In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount.

Approving authority for the CSR amount to be spent would be any one Director or the Managing Director / Chief Financial Officer of the Company after due recommendation of CSR Committee and approval of the Board of Directors of the Company.

The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.

Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT.

**Internal Complaints Committee**

An Internal Complaints Committee is constituted for our Company by the Board to look into the matters concerning sexual harassment pursuant to resolution of the Board of Directors dated May 30, 2023. The Internal Complaints consists of the following members.

Sr. No.	Name	Status in Committee	Gender
1.	Ms. Nasreen Shiraz	Presiding officer	Female
2.	Ms. Simran Ibrahim	Member	Female
3.	Ms. Deepti Anand	Member	Female
4.	Mr. Yogananda V G	Member	Male

A complainant can approach any member of the committee with her written complaint.

## **Tenure**

The President and other members of the committee shall hold office for such period, not exceeding 3 (three) years, from the date of their nomination as may be specified by the employer.

## **Scope**

This policy is applicable to employees, workers, volunteers, probationer and trainees including those on deputation, part time, contract, working as consultants or otherwise (whether in the office premises or outside while on assignment). This policy shall be considered to be a part of the employment contract or terms of engagement of the persons in the above categories.

Where the alleged incident occurs to our employee by a third party while on a duty outside our premises, the Company shall perform all reasonable and necessary steps to support our employee.

## **What Constitutes Sexual Harassment?**

Sexual Harassment means such unwelcome sexually determined behaviour (directly or through implication), like physical contact and advances by the employee(s) including:

- a) A demand or request for sexual favours, sexually coloured remarks, showing pornography, any other unwelcome physical conduct of sexual nature, lurid stares, physical contact or molestation, stalking, sounds, display of pictures, signs;
- b) Eve teasing, innuendos and taunts, physical confinement against one's will;
- c) A demand or request for sexual favours, whether verbally or non-verbally, where the submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or promotion / evaluation of work thereby denying an individual equal opportunity at employment;
- d) An act or conduct by a person in authority which makes the environment at workplace hostile or intimidating to a person or unreasonably interferes with the individual's privacy and productivity at work;
- e) Verbal harassment of a sexual nature, such as lewd comments, sexual jokes or references, and offensive personal references; demeaning, insulting, intimidating, or sexually suggestive comments (oral or written) about an individual's personal appearance or electronically transmitted messages (Jokes, remarks, letters, phone calls);
- f) Any other behaviour which an individual perceives as having sexual overtones.

## **Redressal Mechanism:**

Once the complaint is received by the Committee:

- a) The person who is accused by the complainant will be informed that a complaint has been filed against him (he will be made aware of the details of the allegation and also the name of the complainant as it would be necessary for proper inquiry) and no unfair acts of retaliation or unethical action will be tolerated.
- b) The complainant has the opportunity to ask for conciliation proceedings by having communication with the accused in the presence of the Committee. Please note that in such conciliation the complainant cannot demand monetary compensation.
- c) The Committee shall provide the copies of the settlement as recorded during conciliation to the aggrieved employee and the respondent.
- d) If the matter has been settled by conciliation but the respondent is not complying with the terms and conditions, the aggrieved party can approach the Committee for Redressal.
- e) The Committee will question both the complainant and the alleged accused separately. If required, the person who has been named as a witness will need to provide the necessary information to assist in resolving the matter satisfactorily.
- f) The Committee shall call upon all witnesses mentioned by both the parties.



- g) The Committee can ask for specific documents from a person if it feels that they are important for the purpose of investigation.
- h) The complainant has the option to seek transfer or leave so that the inquiry process can continue smoothly and to prevent recurrence of similar situations or discomfort to the complainant. The leave can extend for a maximum period of 3 months. Leave granted under this provision will be paid leave and will not be counted in the number of leaves that the complainant is statutorily entitled to. The complainant may be required to work from home, if it is practicable, keeping in mind the nature of work of the complainant, health and mental condition. However, the complainant is under a good faith obligation and shall not abuse the process to request unjustifiably long periods of leave, keeping in mind the economic effects of the leave to the organization. The Committee shall have the discretion to grant leave of an appropriate duration, depending on the facts and circumstances of the case, or grant an alternate measure such as transferring the employee or the accused, as it deems fit.

Where leave is granted to the complainant, the Committee shall make best attempts to ensure speedy completion of the inquiry process and to minimize adverse economic consequences to the Company arising out of the absence of the complainant from the workplace.

- i. The complainant and the accused shall be informed of the outcome of the investigation. The investigation shall be completed within 3 months of the receipt of the complaint. If the investigation reveals that the complainant has been sexually harassed as claimed, the accused will be subjected to disciplinary action accordingly.
  - a) The report of the investigation shall be supplied to the employer (or the District Officer), the accused and the complainant within 10 days of completion of the investigation.
  - b) The employer or the District Officer will act on the recommendations of the Committee within 60 days of the receipt of the report.
- ii. The contents of the complaint made, the identity and addresses of the aggrieved employee, respondent and witnesses, any information relating to conciliation and inquiry proceedings, recommendations of the Internal Committee and the action taken by the employer shall not be published, communicated or made known to the public, press and media in any manner

Any party aggrieved by the report can prefer an appeal in the appropriate Court or Tribunal in accordance with the service rules within 90 days of the recommendation been given to the employer / District Officer.

#### **Disciplinary Action:**

Where any misconduct is found by the Committee, appropriate disciplinary action shall be taken against the accused. Disciplinary action may include transfer, withholding promotion, suspension or even dismissal. This action shall be in addition to any legal recourse sought by the complainant.

If it is found out through evidence by the Committee that the complainant has maliciously given false complaint against the accused, disciplinary action shall be taken against the complainant as well.

Regardless of the outcome of the complaint made in good faith, the employee lodging the complaint and any person providing information or any witness, will be protected from any form of retaliation. While dealing with complaints of sexual harassment, the Committee shall ensure that the complainant or the witness are not victimized or discriminated against by the accused. Any unwarranted pressures, retaliatory or any other type of unethical behaviour by the accused against the complainant while the investigation is in progress should be reported by the complainant to the Complaints Committee as soon as possible. Disciplinary action will be taken by the Committee against any such complaints which are found genuine.

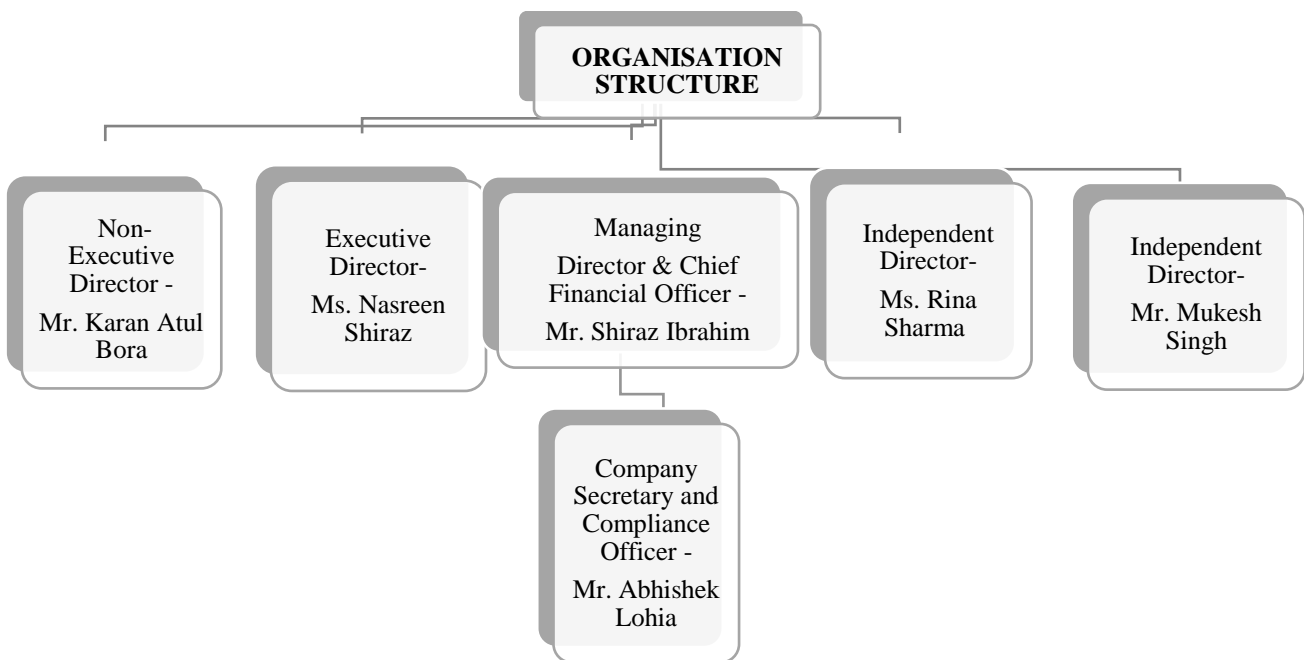
This policy shall be disseminated to each employee of the Company as well as new recruits who will have to acknowledge that they have read and understood the policy and that they shall abide by the policy.

#### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“SEBI PIT Regulations”) will be applicable to our Company immediately upon the listing of its Equity Shares on the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”). We shall comply with the requirements of the SEBI (PIT) Regulations on listing of Equity Shares on stock exchanges. Further, Board of Directors have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

## ORGANISATION STRUCTURE



## OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Given below are the details of the Key Managerial Personnel and Senior Management of our Company as prescribed under the Companies Act, 2013:

Sr. No	Name of the KMPs	Designation
1.	Mr. Shiraz Ibrahim	Managing Director & Chief Financial Officer
2.	Mr. Abhishek Lohia	Company Secretary & Compliance Officer

## BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

### Mr. Shiraz Ibrahim–Managing Director & Chief Financial Officer

Mr. Shiraz Ibrahim is the Managing Director & Chief Financial Officer of our Company. For details, see “*Brief Profile of our Director*”, see “*Our Management*” chapter beginning on page 127 of this Red Herring Prospectus.

### Mr. Abhishek Lohia– Company Secretary & Compliance Officer

**Mr. Abhishek Lohia**, aged 30 years, is the Company Secretary & Compliance Officer of our Company. He was appointed as the Company Secretary & Compliance Officer of our Company at the meeting of the Board of Directors with effect from May 18, 2023. He is a qualified Company secretary from the Institute of Company Secretaries of India.

<b>Term of Office with expiration Date</b>	Appointed as Company Secretary & Compliance Officer with effect from May 18, 2023.
<b>Details of service contract</b>	Not Applicable
<b>Function and areas of experience</b>	Securities law and Compliances

## STATUS OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

## RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

None of the above-mentioned key managerial personnel and Senior Management are related to each other. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as members of our senior management.

## RELATIONSHIP OF DIRECTORS / PROMOTER WITH KEY MANAGERIAL PERSONNEL (KMPs) AND SENIOR MANAGEMENT

None of the above-mentioned key managerial personnel and Senior Management are related to our Promoter or Directors. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as members of our senior management.

## SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

As on date of this Red Herring Prospectus, except as stated below, our Key Managerial Personnel and Senior Management do not hold any number of Equity Shares of our Company

Sr. No.	Name of Key Managerial Personnel and Senior Management	No. of Equity Shares Held (Pre-Issue)	% of pre-Issue capital
1.	Mr. Shiraz Ibrahim	26,25,680	19.60%
2.	Mr. Abhishek Lohia	NIL	NIL
	<b>Total</b>	<b>26,25,680</b>	<b>19.60%</b>

## REMUNERATION / COMPENSATION TO OUR KMPs AND SENIOR MANAGEMENT

Set forth below is the remuneration paid by our Company to our KMPs and Senior Management for the financial year ended March 31, 2023:

			(₹ in Lakh)
Sr. No.	Name of KMPs	Designation	Remuneration paid
1.	Mr. Shiraz Ibrahim	Managing Director* & Chief Financial Officer**	71.00
2.	Mr. Abhishek Lohia	Company Secretary & Compliance Officer#	NIL
	<b>Total</b>		<b>71.00</b>

\* Appointed as Managing Director of the Company w.e.f. May 18, 2023.

\*\* Appointed as Chief Financial Officer of the Company w.e.f. November 18, 2022.

# Appointed as Company Secretary & Compliance Officer w.e.f. May 18, 2023.

The aforementioned KMP's are on the payrolls of our Company as permanent employees.

## BONUS OR PROFIT-SHARING PLAN FOR OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

As on the date of this Red Herring Prospectus, our Company does not have any performance linked bonus or profit-sharing plan with any of our Key Managerial Personnel and Senior Management.

## CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

None of our Key Managerial Personnel and Senior Management has received or is entitled to any contingent or deferred compensation as on date of this Red Herring Prospectus.

## LOANS TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Except as stated in the Red Herring Prospectus, there is no loan outstanding against Key Managerial Personnel and Senior Management as on date of this Red Herring Prospectus.

## INTEREST OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The Key Managerial Personnel and Senior Management of our Company have interest in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and may also be interested to the extent of Equity Shares held by them in our Company, if any and dividends payable thereon, if any. Except as disclosed in this Red Herring Prospectus,

none of our key managerial personnel and Senior Management have been paid any consideration of any nature from our Company, other than their remuneration. Except as stated in the heading titled “*Related Party Transactions*” under the Section titled “*Financial Statements as Restated*” beginning on page 154 of this Red Herring Prospectus and described herein above, our key managerial personnel and Senior Management do not have any other interest in the business of our Company.

#### **CHANGES IN KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT IN THE LAST THREE YEARS**

Set forth below are the changes in our Key Managerial Personnel and Senior Management in the last 3 (three) years immediately preceding the date of this Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name</b>	<b>Date of Event</b>	<b>Reason</b>
1.	Mr. Shiraz Ibrahim	November 18, 2022	Appointed as Chief Financial Officer
2.	Mr. Shiraz Ibrahim	May 18, 2023	Re-appointed as Managing Director
3.	Mr. Abhishek Lohia	May 18, 2023	Appointed as Company Secretary and Compliance Officer

#### **EMPLOYEES STOCK OPTION SCHEME**

Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme as on the date of filing of this Red Herring Prospectus.

#### **PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY**

Except as stated in this Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company’s officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in the chapter titled “*Financial Statements as Restated*” beginning on page 154 of this Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors, Our Key Managerial Personnel or Senior Management or our Promoter.

#### **ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS**

None of our Key Managerial Personnel or Senior Management or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For more information, please refer chapter titled “*Our History and Certain Other Corporate Matters*” beginning on page 124 of this Red Herring Prospectus.

## OUR PROMOTERS AND PROMOTER GROUP

### OUR PROMOTERS


The Promoters of our Company are **Mr. Shiraz Ibrahim** and **Ms. Nasreen Shiraz**

As on the date of this Red Herring Prospectus, our Promoters holds an aggregate of 1,06,79,590 Equity Shares, representing **79.73%** of the Pre-Issue Issued, Subscribed and Paid-up Equity Share Capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – History of the Equity Share Capital held by our Promoters*", on pages 68 of this Red Herring Prospectus.

### BRIEF PROFILE OF OUR PROMOTERS

	<p><b>Mr. Shiraz Ibrahim</b></p> <p><b>Qualification:</b> Bachelor in Mechanical Engineering.</p> <p><b>Date of Birth:</b> October 10, 1969</p> <p><b>Age:</b> 54 years</p> <p><b>Residential Address:</b> B-21, Good Earth Patterns, Off Mysore Road, Kengeri, Near RR Medical College Kumbalagoodu, Bengaluru-560060, Karnataka, India.</p> <p><b>Nationality:</b> Indian</p> <p><b>PAN:</b> AAAP17803B</p> <p><b>Directorship Held:</b></p> <ul style="list-style-type: none"> <li>• Liquid Metal Furniture Private Limited</li> </ul>
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*For the complete profile of Mr. Shiraz Ibrahim, - educational qualifications, professional experience, position / posts held in the past, directorships held, special achievements and business and financial activities, see "Our Management" on page 127 of this Red Herring Prospectus.*

	<p><b>Ms. Nasreen Shiraz</b></p> <p><b>Qualification:</b> Bachelor of Commerce</p> <p><b>Date of Birth:</b> November 06, 1974</p> <p><b>Age:</b> 48 Years</p> <p><b>Residential Address:</b> B-21, Good Earth Patterns, Off Mysore Road, Kengeri, Near RR Medical College Kumbalagoodu, Bengaluru-560060, Karnataka, India.</p> <p><b>Nationality:</b> Indian</p> <p><b>PAN:</b> ABIPS4937P</p> <p><b>Directorship Held:</b></p> <ul style="list-style-type: none"> <li>• Liquid Metal Furniture Private Limited</li> </ul>
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*For the complete profile of Ms. Nasreen Shiraz, - educational qualifications, professional experience, position / posts held in the past, directorships held, special achievements and business and financial activities, see "Our Management" on page 127 of this Red Herring Prospectus.*

## DECLARATION

We declare and confirm that the details of the Permanent Account Number, Aadhaar Card Number and Driving License Number, Passport Number and Bank Account Number of our Promoters will be submitted to the Stock Exchange i.e., Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”), where the Equity Shares are proposed to be listed at the time of filing this Red Herring Prospectus.

## UNDERTAKING / CONFIRMATIONS

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoter of our company.
- There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoter during the past three years.
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 176 of this Red Herring Prospectus.
- None of our Promoters person in control of our Company are or have ever been a promoters, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

## CHANGE IN CONTROL OF OUR COMPANY

There has not been any change in the control of our Company in the five years immediately preceding the date of this Red Herring Prospectus.

## EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter “*Our Management*” beginning on page 127 of this Red Herring Prospectus.

## INTEREST OF OUR PROMOTERS

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company, and (ii) to the extent of their or of members of promoter group shareholding in our Company. For details on shareholding of our Promoters in our Company, see “*Capital Structure*” on page 68 of this Red Herring Prospectus.

Except as stated otherwise in this Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters or members of promoter group are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please refer the section titled “*Related Party Transactions*” in chapter “*Financial Statements as Restated*” on page 154 of this Red Herring Prospectus.

### *Interest in promotion of our Company*

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

### *Interest in the property, land, construction of building, supply of machinery, etc.*



Except as mentioned in the chapter titled ‘*Our Business*’ beginning on page 107 of this Red Herring Prospectus, our company has acquired the following property from the promoter of our Company in a period of 2 (two) years before filing of this Red Herring Prospectus.

**Issue of 22,732 Equity Shares of Face Value of ₹ 100.00 each in lieu of Land of the Allottees as consideration other than cash as per details given below:**

Sr. No	Names of Allottees	Number of Equity Shares*
1	Mr. Shiraz Ibrahim	11,366
2	Ms. Nasreen Shiraz	11,366
	<b>Total</b>	<b>22,732</b>

*\*The equity share capital was sub-divided from 100.00 to 10.00 at the Extra-Ordinary General Meeting of members of the Company held on February 25, 2023.*

The above shares were allotted for the land acquired situated at 4th main, 3rd cross, HAL III stage, Bangalore- 560008, Ward No 74.

Apart from the details mentioned in the above table our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of 2 (two) years before filing of this Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

***Interest in our Company arising out of being a member of a firm or company***

Our Promoters are not interested as member of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify them as a director, or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

***Interest in our Company other than as Promoters***

Except as mentioned in this chapter and chapters titled “*Our Business*”, “*History and Certain Corporate Matters*”, “*Our Management*” and “*Restated Financial Statements*” beginning on pages 107, 124, 127 and 154, respectively, our Promoters do not have any other interest in our Company.

***Payment or Benefit to the Promoters or Promoter Group in the last 2 (two) years***

Except as stated above in chapters “*Financial Statements as Restated*” beginning on page 154 of this Red Herring Prospectus, there has been no amount or benefit paid or given during the preceding 2 (two) years of filing of this Red Herring Prospectus or intended to be paid or given to any Promoters or member of our Promoter Group and no consideration for payment of giving of the benefit.

**COMMON PURSUITS OF OUR PROMOTERS**

None of directors are associated with any company or entities which have common pursuits as our company. For further details, see “*Restated Financial Information - Notes to Restated Financial Information- Note XXX- Related Party Disclosures*” on page 154. We shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise.

**MATERIAL GUARANTEES GIVEN TO THIRD PARTIES**

Except as stated in the “*Financial Statements as Restated*” beginning on page 154 of this Red Herring Prospectus, our Promoters have not given material guarantees to the third party(ies) with respect to the specified securities of our Company.

**EXPERIENCE OF PROMOTERS IN THE LINE OF BUSINESS**

Our Promoters are Mr. Shiraz Ibrahim and Ms. Nasreen Shiraz and have an experience of around 26 years each in the industry. The Company shall also endeavour to ensure that relevant professional help is sought as and when required in the future.

**SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY**

For details of shareholding of members of our Promoter Group as on the date of this Red Herring Prospectus, please see the chapter titled “*Capital Structure – Notes to Capital Structure*” beginning on page 68 of this Red Herring Prospectus.

#### LITIGATION INVOLVING OUR PROMOTERS

For details relating to legal proceedings involving the Promoters, please refer “*Outstanding Litigation and Material Developments*” beginning on page 176 of this Red Herring Prospectus.

#### RELATED PARTY TRANSACTIONS

Except as stated in “*Annexure – XXX “Related Party Transactions”*” beginning on page 152 of this Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

#### COMPANIES WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE PRECEDING THREE YEARS

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Red Herring Prospectus.

#### OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 is as under:

##### A. Natural Persons who form part of our Promoter Group:

Promoter	Mr. Shiraz Ibrahim	Ms. Nasreen Shiraz
Relation with Promoter		
Father	Mr. Vezapalli Komu Ibrahim	Mr. Mohammed Sali Nizar Ahmed
Mother	Ms. Hafsa Ibrahim	Ms. Akthar Ahmed
Spouse	Ms. Nasreen Shiraz	Mr. Shiraz Ibrahim
Brother(s)	NA	NA
Sister(s)	NA	NA
Son(s)	NA	NA
Daughter(s)	Ms. Simran Ibrahim	Ms. Simran Ibrahim
	Ms. Aashna Ibrahim	Ms. Aashna Ibrahim
Spouse's Father	Mr. Mohammed Sali Nizar Ahmed	Mr. Vezapalli Komu Ibrahim
Spouse's Mother	Ms. Akthar Ahmed	Ms. Hafsa Ibrahim
Spouse's Brother(s)	NA	NA
Spouse's Sister(s)	NA	NA

##### B. In case promoter is an Individual:

Sr. No.	Nature of Relationship	Entity
1.	Any Body Corporate in which 20% or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relatives is a member.	Liquid Metal Furniture Private Limited
2.	Any Body corporate in which Body Corporate as provided above holds 20% or more of the equity share capital.	NIL
3.	Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than 20%.	NIL

##### C. All persons whose shareholding is aggregated under the “heading “shareholding of the Promoters Group”:

The following persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1)(pp)(v) of SEBI (ICDR) Regulations 2018.

## **OUR GROUP COMPANIES**

In terms of the SEBI (ICDR) Regulations, the term “group companies”, includes

- i. such companies (other than promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and
- ii. any other companies considered material by the Board of Directors of the relevant issuer company.

Accordingly, for (i) above, all such companies (other than our Subsidiary) with which there were related party transactions during the periods covered in the Restated Financial Statement, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI (ICDR) Regulations. For the purpose of avoidance of doubt and pursuant to regulation 2(1)(t) of SEBI (ICDR) Regulations, 2018 it is clarified that our promoters and Subsidiary will not be considered as Group Companies.

In addition for the purpose of (ii) above, the Board pursuant to the Materiality Policy dated May 30, 2023, has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Financial Information included in the offer document) shall be considered “material” and will be disclosed as a ‘Group company’ in the offer documents, (a) if it is a member of the promoter group of the Company as defined in the Regulation 2 (1) (pp) of the SEBI ICDR Regulations, and (b) with which there were transactions in the most recent financial year and stub period, if any, (in respect of which Restated Financial Statements are included in this Red Herring Prospectus), (“Test Period”) which individually or in the aggregate, exceed 10% of the total restated revenue of the Company for the Test Period .

Provided, companies which have been disclosed as related parties in the Restated Financial Statements of our Company for the last three financial years, and which are no longer associated with our Company have not been disclosed as Group Companies.

All such companies which the Board has deemed to be material to be considered as Group Companies / Associates Companies.

Accordingly, in terms of the Materiality Policy for identification of Group Companies, as on date of Red Herring Prospectus our company has no group companies.

## RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to *Annexure- XXX* of section titled “*Financial Statements as Restated*” beginning on page 154 of this Red Herring Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, an Indian Company pays dividends upon a recommendation by its Board of Directors and approval by majority of the Shareholders at the general meeting. Under the Companies Act, 2013, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have a formal dividend policy for declaration of dividend in respect of Equity shares. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Further, our Company has not paid any dividend in the period ended on September 30, 2023 and Fiscal Years ended on March 31, 2021, March 31, 2022 and March 31, 2023 and until the date of this Red Herring Prospectus.

Our Company has not paid / declared any dividend in last three years from date of this Red Herring Prospectus.

There is no guarantee that any dividends will be declared or paid or the amount thereof will not be decreased in the future. For details, see “***Risk Factors – We cannot assure payment of dividend on the Equity Shares in the future***” on page 31

**SECTION V: FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS AS RESTATED**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
1	Restated Financial Statements	F – 1 to F - 37



**FINANCIAL STATEMENTS AS RESTATED**  
**Independent Auditor's Report on The Restated Financial Statements of**  
**TRANSTEEL SEATING TECHNOLOGIES LIMITED**

**Auditor's Report on the Restated Statement of Assets and Liabilities as on September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, Statement of Profit & Loss and Cash Flow for the period ended September 30, 2023 and financial years ending on March 31, 2023, 2022 and 2021 of TRANSTEEL SEATING TECHNOLOGIES LIMITED.**

To,  
The Board of Directors,  
**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
**(FORMERLY TRANSTEEL TECHNOLOGIES PRIVATE LIMITED)**  
No-28, 4th Main, Industrial Suburb,  
Yeshwantthpur, Bangalore  
Bangalore- 560-022, Karnataka, India

Dear Sirs,

- 1) We have examined the attached Restated Summary Statements and Other Financial Information of **TRANSTEEL SEATING TECHNOLOGIES LIMITED** (Formerly known as '**TRANSTEEL TECHNOLOGIES PRIVATE LIMITED**'), for the period ended on September 30, 2023 and financial year ended on March 31, 2023, 2022 and 2021 (collectively referred to as the "**Restated Summary Statements**" or "**Restated Financial Statements**") as duly approved by the Board of Directors of the Company.
- 2) The said Restated Financial Statements and other Financial Information have been examined and prepared for the purpose of inclusion in the Draft Red Herring/Red Hearing/Prospectus (collectively hereinafter referred to as "Offer Document") in connection with the proposed Initial Public Offering (IPO) on SME Platform of NSE Limited ("NSE Emerge") of the company taking into consideration the followings and in accordance with the following requirements of:
  - Section 26 and 32 of Part I of Chapter III to the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014, as amended from time to time;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations), 2018 (the 'SEBI ICDR Regulations') as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992;
  - The Guidance Note on Reports in Company Draft Prospectus / Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("ICAI") ("Guidance Note");
  - The applicable regulation of SEBI (ICDR) Regulations, 2018, as amended, and as per Schedule VI (Part A) (11) (II) of the said Regulations; and
  - The terms of reference to our engagement letter with the company dated November 22, 2022 requesting us to carry out the assignment, in connection with the proposed Initial Public Offering of equity shares on SME Platform of NSE Limited ("NSE Emerge") ("IPO" or "SME IPO").
- 3) These Restated Financial Information (included in Annexure I to XXXVI) have been extracted by the Management of the Company from:

The Company's Financial Statements for the period ended on September 30, 2023 and financial year ended March 31, 2023, 2022 and 2021 which have been approved by the Board of Directors at their meeting respectively and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Financial Statements, are the responsibility of the Company's Management. The Financial Statement of the Company for the period ended on September 30, 2023 and financial year ended on March 31, 2023 has been audited by us being the Statutory Auditors of the Company and from the financial year ended March

31, 2022 and 2021 has been audited by M/s. Iyer & Co., Chartered Accountants and had issued unqualified reports for these years.

- 4) In accordance with the requirement of Section 26 and 32 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, the SEBI Regulations, the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:
  - (a) The **Restated Statement of Assets and Liabilities** for the period year ended on September 30, 2023 and financial year ended on March 31, 2023, 2022 and 2021 examined by us, as set out in **Annexure I** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings of the financial statements, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to XXXVI to this Report.
  - (b) The **Restated Statement of Profit and Loss** of the Company for the period year ended on September 30, 2023 and financial year ended on March 31, 2023, 2022 and 2021 examined by us, as set out in **Annexure II** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss, have been arrived at after making such adjustments and regroupings of the financial statements, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to XXXVI to this Report.
  - (c) The **Restated Statement of Cash Flows** of the Company for the period year ended on September 30, 2023 and financial year ended on March 31, 2023, 2022 and 2021, examined by us, as set out in **Annexure III** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flows, have been arrived at after making such adjustments and regroupings of the financial statements, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to XXXVI to this Report.

As a result of these adjustments, the amounts reporting in the above-mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

- 5) Based on the above, as per the reliance placed by us on the audited financial statements of the Company and report thereon given by the Statutory Auditor of the Company for the period year ended on September 30, 2023 and financial year ended on March 31, 2023, 2022 and 2021, and to the best of our information and according to the explanation given to us, we are of the opinion that Restated Financial Statement:
  - (a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policies for all the reporting periods based on the significant accounting policies adopted by the Company as at September 30, 2023.
  - (b) have been made after incorporating adjustments for prior period and other material amounts, if any, in the respective financial years to which they relate to;
  - (c) do not contain any extra ordinary items that need to be disclosed separately other than those presented in the Restated Financial Statement and do not contain any qualification requiring adjustments;
  - (d) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the period year ended on September 30, 2023 and financial year ended March 31, 2023, 2022 and 2021 which would require adjustments in this Restated Financial Statements of the Company;
  - (e) Restated Summary Statement of Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate

and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to XXXVI to this report;

- (f) Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies,
  - (g) There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements;
  - (h) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
  - (i) The Company has paid dividend prior to financial year ended on March 31, 2021.
- 6) We have also examined the following other Restated Financial Information as set out in the respective Annexure's to this report and forming part of the Restated Financial Statement, prepared by the management of the Company and approved by the Board of Directors of the company for the period year ended on September 30, 2023 and financial year ended on March 31, 2023, 2022 and 2021 proposed to be included in the Draft Red Hearing/Red Hearing/Prospectus ("Offer Document") for the proposed IPO:
- 1. Statement of Share Capital, as restated in **Annexure V** to this report.
  - 2. Statement of Reserves & Surplus, as restated in **Annexure VI** to this report
  - 3. Statement of Long-Term Borrowings, as restated in **Annexure VII** to this report.
  - 4. Statement of Deferred Tax Liabilities, as restated in **Annexure VIII** to this report.
  - 5. Statement of Long-Term Provisions, as restated in **Annexure IX** to this report
  - 6. Statement of Short-Term Borrowings as restated in **Annexure X** to this report.
  - 7. Statement of Trade Payables as restated in **Annexure XI** to this report.
  - 8. Statement of Other Current Liabilities as restated in **Annexure XII** to this report.
  - 9. Statement of Short-Term Provisions as restated in **Annexure XIII** to this report.
  - 10. Statement of Plant, Property & Equipment and Intangible Assets, as restated in **Annexure XIV** to this report.
  - 11. Statement of Non-Current Investments as restated in **Annexure XV** to this report.
  - 12. Statement of Other Non-Current Assets as restated in **Annexure XVI** to this report.
  - 13. Statement of Inventory as restated in **Annexure XVII** to this report.
  - 14. Statement of Trade Receivables as restated in **Annexure XVIII** to this report.
  - 15. Statement of Cash and Cash Equivalents as restated in **Annexure XIX** to this report.
  - 16. Statement of Short-Term Loans and Advances as restated in **Annexure XX** to this report.
  - 17. Statement of Other Current Assets as restated in **Annexure XXI** to this report.
  - 18. Statement of Revenue from Operations as restated in **Annexure XXII** to this report.

19. Statement of Other Income as restated in **Annexure XXIII** to this report.
  20. Statement of Cost of Material Consumed as restated in **Annexure XXIV** to this report.
  21. Statement of Changes in Inventory as restated in **Annexure XXV** to this report
  22. Statement of Employee Benefit Expenses as restated in **Annexure XXVI** to this report.
  23. Statement of Finance Cost as restated in **Annexure XXVII** to this report.
  24. Statement of Depreciation & Amortization as restated in **Annexure XXVIII** to this report.
  25. Statement of Other Expenses as restated in **Annexure XXIX** to this report.
  26. Statement of Related Party Transactions as restated in **Annexure XXX** to this report.
  27. Statement of Reconciliation of Restated Profit after Tax, Restated Equity/Net worth, as restated in **Annexure XXXI** to this report.
  28. Statement of Capitalization as restated in **Annexure XXXII** to this report
  29. Statement of Other Financial Information as restated in **Annexure XXXIII** to this report.
  30. Statement of Tax Shelters as restated in **Annexure XXXIV** to this report.
  31. Statement of Contingent Liabilities as restated in **Annexure XXXV** to this report.
  32. Statement of Accounting Ratios as restated in **Annexure XXXVI** to this report.
- 7) We, Gupta Agarwal & Associates, Chartered Accountants hold a valid peer review certificate issued by the “Peer Review Board” of the Institute of Chartered Accountants of India (“ICAI”).
  - 8) The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
  - 9) This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as an opinion on any of the Consolidated Financial Information referred to herein.
  - 10) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  - 11) In our opinion, the above Restated Financial Statements contained in **Annexure I to XXXVI** to this report read along with the ‘Significant Accounting Policies and Notes to the Financial Statements’ appearing in **Annexure IV to XXXVI** after making adjustments and regrouping/reclassification as considered appropriate and have been prepared in accordance with the provisions of Section 26 and 32 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.
  - 12) Our report is intended solely for use of the Management and for inclusion in the offer documents in connection with the proposed SME IPO of equity shares of the Company and is not to be used, referred to or distributed for any other purpose except with our prior written consent.

**For Gupta Agarwal & Associates**  
**Chartered Accountants**  
**Firm Registration No.: 329001E**

**Sd/-**  
**Jay Shanker Gupta**  
**Membership No. 059535**  
**Partner**  
**UDIN: 23059535BGSXBB2140**

Place: Kolkata  
Date: October 19, 2023

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
(Formerly known as TRANSTEEL SEATING TECHNOLOGIES PRIVATE LIMITED)  
CIN: U36109KA1995PLC017137

Annexure-I

**RESTATED STATEMENT OF ASSETS & LIABILITIES**

Amount (Rs. In Lakhs)

Sr.No	Particulars	Note No.	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>					
<b>1</b>	<b>Shareholders Funds</b>					
	(a) Share Capital	2	1,339.45	58.24	23.81	23.81
	(b) Reserves & Surplus	3	1,521.41	2,385.87	605.91	446.82
<b>2</b>	<b>Non-current liabilities</b>					
	(a) Long-Term Borrowings	4	2,011.41	1,570.32	362.63	176.09
	(b) Long-Term Provisions	5	79.15	67.95	59.32	58.21
<b>3</b>	<b>Current Liabilities</b>					
	(a) Short-Term Borrowings	6	1,841.74	1,120.78	964.11	812.46
	(b) Trade Payables:	7				
	(A) total outstanding dues of micro, small and medium enterprises; and		8.65	12.58	-	8.45
	(B) total outstanding dues of creditors other than micro, small and medium enterprises		1,822.25	1,767.65	1,144.32	742.07
	(c) Other Current Liabilities	8	903.50	999.68	379.35	265.86
	(d) Short-Term Provisions	9	534.62	363.99	69.65	4.56
	<b>TOTAL</b>		<b>10,062.18</b>	<b>8,347.06</b>	<b>3,609.10</b>	<b>2,538.33</b>
<b>II</b>	<b><u>ASSETS</u></b>					
<b>1</b>	<b>Non Current Assets</b>					
	(a) Property, Plant & Equipment & Intangible Assets	10				
	(i) Property, Plant and Equipment		400.83	434.20	400.01	419.81
	(ii) Intangible Assets		16.41	12.73	5.56	5.44
	(b) Non Current Investments	11	640.47	640.47	-	-
	(c) Deferred Tax Assets (net)	12	17.96	7.83	4.96	3.83
	(d) Other Non-Current Assets	13	2,372.57	2,157.53	1,289.18	501.01
<b>2</b>	<b>Current Assets</b>					
	(a) Inventories	14	2,402.60	2,403.94	1,300.11	1,185.56
	(b) Trade Receivables	15	1,203.98	1,030.87	426.90	239.96
	(c) Cash and Cash Equivalents	16	83.88	143.41	116.79	114.86
	(d) Short-Term Loans and Advances	17	809.51	665.95	26.44	27.22
	(e) Other Current Assets	18	2,113.98	850.13	39.15	40.65
	<b>TOTAL</b>		<b>10,062.18</b>	<b>8,347.06</b>	<b>3,609.10</b>	<b>2,538.33</b>

The accompanying notes 1.1 - 1.22 are integral part of financial statements

As per our report of even date

For & or behalf of Directors

For, Gupta Agarwal & Associates  
Chartered Accountants  
FRN: 329001E

Sd/-  
Shiraz Ibrahim  
Managing Director/Chief Financial Officer  
DIN : 00812527

Sd/-  
Nasreen Shiraz  
Director  
DIN : 00581065

Sd/-  
Jay Shanker Gupta  
(Partner)  
Membership No. 059535

Sd/-  
Abhishek Lohia  
Company Secretary & Compliance Officer

Place : Kolkata  
Date : October 19, 2023

Place : Bangalore  
Date : October 18, 2023



**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
(Formerly known as TRANSTEEL SEATING TECHNOLOGIES PRIVATE LIMITED)  
CIN: U36109KA1995PLC017137

Annexure-II

**RESTATED STATEMENT OF PROFIT & LOSS**

Amount (Rs. In Lakhs)

Particulars	Note No.	For the period ended 30.09.2023	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
I. Revenue from Operations	19	3,125.67	5,947.95	2,798.86	2,281.15
II. Other Income	20	7.72	13.48	7.88	6.59
<b>III. Total Income (I + II)</b>		<b>3,133.39</b>	<b>5,961.43</b>	<b>2,806.74</b>	<b>2,287.74</b>
IV. Expenses:					
Cost of Materials Consumed	21	1,594.88	2,888.85	1,456.38	1,185.77
Changes in Inventories	22	(329.12)	(361.20)	(150.28)	(103.43)
Employee Benefits Expense	23	570.36	1,084.84	583.67	492.18
Finance Costs	24	192.17	233.02	116.65	65.28
Depreciation and Amortisation Expense	10	60.12	70.45	61.09	60.62
Other Expenses	25	468.34	781.90	521.02	566.94
<b>IV. Total Expenses</b>		<b>2,556.76</b>	<b>4,697.86</b>	<b>2,588.53</b>	<b>2,267.37</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		576.63	1,263.57	218.21	20.37
VI. Exceptional items & Extraordinary Items					
-CSR Provision		13.86	10.03	-	-
-Prior Period Items		-	-	-	2.46
<b>VII. Profit before tax (V- VI)</b>		<b>562.77</b>	<b>1,253.54</b>	<b>218.21</b>	<b>17.91</b>
VIII. Tax expense:					
MAT credit entitlement		-	-	-	(0.73)
Current Tax		155.26	347.05	60.26	7.08
Deferred Tax		(10.13)	(2.87)	(1.14)	12.15
Total Tax Expense		145.13	344.18	59.13	18.50
<b>IX. Profit (Loss) for the period (VII-VIII)</b>		<b>417.64</b>	<b>909.36</b>	<b>159.08</b>	<b>(0.59)</b>
X. Earnings per equity share:					
(1) Basic		3.12	6.80	1.19	0.01
(2) Diluted		3.12	6.80	1.19	0.01

The accompanying notes 1.1 - 1.22 are integral part of financial statements

As per our report of even date

For & or behalf of Directors

For, Gupta Agarwal & Associates  
Chartered Accountants  
FRN: 329001E

Sd/-  
**Shiraz Ibrahim**  
Managing Director/Chief Financial Officer  
DIN : 00812527

Sd/-  
**Nasreen Shiraz**  
Director  
DIN : 00581065

Sd/-  
**Jay Shanker Gupta**  
(Partner)  
Membership No. 059535

Sd/-  
**Abhishek Lohia**  
Company Secretary & Compliance Officer

Place : Kolkata  
Date : October 19, 2023

Place : Bangalore  
Date: October 18, 2023

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
(Formerly known as TRANSTEEL SEATING TECHNOLOGIES PRIVATE LIMITED)  
CIN: U36109KA1995PLC017137

**Annexure-III**

**RESTATED CASH FLOW STATEMENT**

Amount (Rs. In Lakhs)

PARTICULARS	For the period ended 30.09.2023	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit before tax	562.77	1,253.54	218.21	17.91
Depreciation & Amortisation	60.12	70.45	61.09	60.62
Interest Paid	192.17	233.02	116.65	65.28
Interest Income	(1.15)	(6.50)	(6.20)	(6.40)
Changes in long term provision of employee benefit	11.20	8.63	1.11	(15.83)
(Profit)/loss on Sale of Assets	-	-	(1.23)	8.35
<b>Operating Profit before Working Capital Changes</b>	<b>825.11</b>	<b>1,559.15</b>	<b>389.63</b>	<b>129.93</b>
<b>Adjusted for:</b>				
Inventories	1.34	(1,103.83)	(114.55)	(199.79)
Trade receivables	(173.11)	(603.97)	(186.94)	85.15
Short Term Loans & Advances	(143.56)	(639.51)	0.78	38.76
Other Current Assets	(1,263.85)	(810.98)	1.50	(40.65)
Trade Payable	50.67	635.89	393.82	87.46
Other Current Liabilities	(96.18)	620.33	113.49	89.48
Short term provision	170.63	294.34	65.09	0.65
	<b>(1,454.06)</b>	<b>(1,607.73)</b>	<b>273.19</b>	<b>61.07</b>
Cash generated/(used) From Operations	<b>(628.95)</b>	<b>(48.58)</b>	<b>662.82</b>	<b>191.00</b>
Income Tax Paid	155.26	347.05	60.26	6.35
<b>Net Cash generated/(used in) from Operating Activities (A)</b>	<b>(784.20)</b>	<b>(395.63)</b>	<b>602.56</b>	<b>184.66</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Proceeds from Long term Loans & Advances	-	-	-	-
Increase/(Decrease) in Non-Current Investments	-	(640.47)	-	-
Purchase of plant & equipment	(30.43)	(111.80)	(41.43)	(110.32)
Interest Income	1.15	6.50	6.20	6.40
Increase/(Decrease) in Non-Current Assets	(215.04)	(868.35)	(788.17)	(404.70)
(Loss)/Profit on Sales of Fixed Assets	-	-	1.23	(8.35)
<b>Net Cash used in Investing Activities (B)</b>	<b>(244.31)</b>	<b>(1,614.12)</b>	<b>(822.17)</b>	<b>(516.97)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Increase in share capital	-	910.04	-	-
Net Proceeds from long term borrowing	441.09	1,207.68	186.54	120.53
Net Proceeds from short term borrowing	720.96	156.67	151.65	273.52
IPO related expenses	(0.89)	(5.00)	-	-
Finance Cost	(192.17)	(233.02)	(116.65)	(65.28)
<b>Net Cash used in Financing Activities (C)</b>	<b>968.99</b>	<b>2,036.37</b>	<b>221.54</b>	<b>328.77</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	(59.53)	26.62	1.94	(3.54)
Cash and Cash Equivalents at the beginning of the year	143.41	116.79	114.86	118.40
Cash and Cash Equivalents at the end of the year	83.88	143.41	116.79	114.86

Note :-

1. Components of Cash & Cash Equivalent

Amount (Rs. In Lakhs)

Particulars	For the period ended 30.09.2023	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
a. Balances with banks	13.45	17.77	0.42	3.04
b. FD with banks	69.67	125.36	115.98	110.97
c. Cash in hand	0.76	0.28	0.39	0.84
<b>Total</b>	<b>83.88</b>	<b>143.41</b>	<b>116.79</b>	<b>114.86</b>

2. The above cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.

3. Figures in Brackets represents outflow.

The accompanying notes 1.1 - 1.22 are integral part of financial statements

As per our report of even date

For & or behalf of Directors

For, Gupta Agarwal & Associates

Sd/-

Sd/-

Chartered Accountants

Shiraz Ibrahim

Nasreen Shiraz

FRN: 329001E

Managing Director/Chief Financial Officer

Director

DIN : 00812527

DIN : 00581065

Sd/-

Jay Shanker Gupta

Sd/-

(Partner)

Abhishek Lohia

Membership No. 059535

Company Secretary & Compliance Officer

Place : Kolkata

Place : Bangalore

Date : October 19, 2023

Date : October 18, 2023

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
**(Formerly known as TRANSTEEL SEATING TECHNOLOGIES PRIVATE LIMITED)**  
**CIN: U36109KA1995PLC017137**

Annexure-IV

**CORPORATE INFORMATION**

TRANSTEEL SEATING TECHNOLOGIES LIMITED is a Public Company domiciled in India originally incorporated as TRANSTEEL SEATING TECHNOLOGIES PRIVATE LIMITED vide certificate of incorporation consequent upon conversion to Public Limited Company dated 19th April, 2023 issued by Registrar of Companies, Bangalore, being Corporate Identification Number U36109KA1995PLC017137. The company is in the business of manufacturing of seating systems & work stations and has manufacturing facilities in India. The Company primarily caters to the Indian market.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

- (a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company.
- (b) The financial statements are prepared to comply in all material respects with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Companies Act, 2013.
- (c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialize.

**1.2 Revenue Recognition**

- (a) The company generally follows the mercantile system of accounting and recognizes Income & Expenditure on accrual basis.
- (b) Revenue is recognised to the extent that it is possible that, the economic benefits will flow to the company and the revenue can be reliably estimated and collectability is reasonably assured.
- (c) Revenue from sale of goods and services are recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.
- (d) Revenue is measured on the basis of sale price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and service tax etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.
- (e) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**1.3 Property, Plant & Equipment and Intangible Assets & Depreciation**

- (a) Property, Plant and Equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.
- (b) Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the statement of profit and loss during the period in which they are incurred.
- (c) Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of property, plant and equipment and are recognised in the statement of profit and loss when the same is derecognised.
- (d) Depreciation is calculated on pro rata basis on straight line method (SLM) based on estimated useful Life as prescribed under Part C of Schedule - II of the Companies Act, 2013. Freehold land is not depreciated.
- (e) Intangible asset purchased are initially measured at cost. The cost of an intangible assets comprises its purchase price including duties and taxes and any costs directly attributable to making the assets ready for their intended use. The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives.

**1.4 Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
**(Formerly known as TRANSTEEL SEATING TECHNOLOGIES PRIVATE LIMITED)**  
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**1.5 Investments**

Investments classified as long-term investments are stated at cost. Provision is made to recognize any diminution other than temporary in the value of such investments. Current investments are carried at lower of cost and fair value.

**1.6 Inventories**

Inventories consisting of Raw Materials, W-I-P and Finished Goods are valued at lower of cost and net realizable value unless otherwise stated. Cost of inventories comprises of material cost on FIFO basis and expenses incurred in bringing the inventories to their present location and condition.

**1.7 Employee Benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to the statement of profit and loss for the year when an employee renders the related services.

Provision for Gratuity has been considered as per Actuarial valuation report.

Leave encashment to the employees are accounted for as & when the same is claimed by eligible employees.

**1.8 Borrowing Costs**

(a) Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

(b) Other Borrowing costs are recognized as expense in the period in which they are incurred.

**1.9 Taxes on Income**

Tax expense comprises of current tax and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws.

Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognized, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognized only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

**1.10 Earning per share (EPS)**

(a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.11 Prior Period Items**

Prior Period and Extraordinary items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed in financial statements if any.

**1.12 Provisions/Contingencies**

(a) Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

(b) Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

(c) A Contingent Asset is not recognized in the Accounts.

**1.13 Segment Reporting**

**A. Business Segments :**

Based on the guiding principles given in Accounting Standard 17 (AS - 17) on Segment Reporting issued by ICAI, the Company has only one reportable Business Segment which is engaged in business of manufacturing of seating systems & work stations and has manufacturing facilities in India. Accordingly, the figures appearing in these financial statements relate to the Company's single Business Segment.

**B. Geographical Segments**

The Company activities / operations are confined to India and as such there is only one geographical segment. Accordingly, the figures appearing in these financial statements relate to the Company's single geographical segment.

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
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**CIN: U36109KA1995PLC017137**

**1.14 Foreign Currency Transactions**

Foreign exchange transactions are recorded at the rate prevailing on the date of respective transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising on foreign exchange transactions settled during the year and on restatement as at the balance sheet date are recognized in the statement of profit and loss for the year.

**1.15 Digital Market Model**

The Company has incurred expenditure on acquisition, development and implementation of new systems/processes of Digital Market model for customer loyalty and customer lists as in the past year. This Digital Market model expenditure is to identify and acquire customer data for research and analysis of the same. These customer data/lists accumulated over time, will help the company to bring in relevant/right customers. Further, in the opinion of the directors, this will provide a base for the company to extend this model to Franchises which will help the company to rapidly scale the revenue without incurring similar spends/costs. In view of the above, these expenditure accumulated will be amortised over a period of time from the fifth (5) year onwards.

**1.16 Warranty**

The company sells its product carrying a warranty. No provision is made in the accounts toward warranty expenses. The same is accounted on actuals basis.

**1.17 Balance Confirmations**

Balance of Debtors & Creditors & Loans & advances Taken & giving are subject to confirmation and subject to consequential adjustments, if any. Debtors & creditors balance has been shown separately and the advances received and paid from/to the parties is shown as advance from customer and advance to suppliers.

**1.18 Regrouping**

Previous years figures have been regrouped and reclassified wherever necessary to match with current year grouping and classification.

**1.19 Pandemic (Covid-19) impact**

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on 11 March 2020. On 24 March 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position for the year ended 31 March 2023 and has concluded that there is no significant impact which is required to be recognized in the financial statements. Accordingly, no adjustments are required to be made to the financial statements.

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
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**ANNEXURE TO NOTE: 1.7**

**EMPLOYEE BENEFITS**

**I. Defined contribution plans**

The Company has classified the various benefits provided to employees as under:

- a. Employee State Insurance Fund
- b. Employee Provident Fund

The expense recognised during the period towards defined contribution plan -

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	For the period ended	For the year ended	For the year ended	For the year ended
	30.09.2023	31.03.2023	31.03.2022	31.03.2021
Employers Contribution to Employee State Insurance	24.34	42.86	25.95	22.33
Employers Contribution to Employee Provident Fund	3.21	6.58	5.07	4.57

**II. Defined benefit plans**

Gratuity

The Company should provide for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of INR 20,00,000/-.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

(Amount in Lakhs, Unless Otherwise Stated)

Defined benefit plans	For the period ended	For the year ended	For the year ended	For the year ended
	30.09.2023	31.03.2023	31.03.2022	31.03.2021
	Gratuity (Unfunded)	Gratuity (Unfunded)	Gratuity (Unfunded)	Gratuity (Unfunded)
<b>I Expenses recognised in statement of profit and loss during the year:</b>				
Current service cost	5.46	9.47	6.72	6.10
Past service cost	-	-	-	-
Expected return on plan assets	-	-	-	-
Net interest cost / (income) on the net defined benefit liability / (asset)	2.92	4.88	4.37	4.62
Immediate Recognition of (Gain)/Losses	4.34	(4.56)	(6.17)	(12.06)
Loss (gain) on curtailments	-	-	-	-
<b>Total expenses included in Employee benefit expenses</b>	<b>12.72</b>	<b>9.78</b>	<b>4.92</b>	<b>(1.34)</b>
<b>Discount Rate as per para 78 of AS 15 R (2005)</b>	<b>7.50%</b>	<b>7.58%</b>	<b>7.26%</b>	<b>7.02%</b>
<b>II Net asset / (liability) recognised as at balance sheet date:</b>				
Present value of defined benefit obligation	89.67	76.95	67.16	62.25
Fair value of plan assets	-	-	-	-
<b>Funded status [surplus/(deficit)]</b>	<b>(89.67)</b>	<b>(76.95)</b>	<b>(67.16)</b>	<b>(62.25)</b>
<b>III Movements in present value of defined benefit obligation</b>				
Present value of defined benefit obligation at the beginning of the year	76.95	67.16	62.25	63.59
Current service cost	5.46	9.47	6.72	6.10
Past service cost	-	-	-	-
Interest cost	2.92	4.88	4.37	4.62
Actuarial (gains) / loss	4.34	(4.56)	(6.17)	(12.06)
Benefits paid	-	-	-	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>89.67</b>	<b>76.95</b>	<b>67.16</b>	<b>62.25</b>
<b>Classification</b>				
Current liability	10.51	8.99	7.85	4.04
Non-current liability	79.15	67.95	59.32	58.21

**V Sensitivity analysis method**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.



**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
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**CIN: U36109KA1995PLC017137**

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	For the period ended 30.09.2023	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>As at 31 March 2023</b>				
Increase / (decrease) on present value of defined benefit obligation at the end of the year				
(i) +1% increase in discount rate	82.65	71.08	62.54	57.71
(ii) -1% decrease in discount rate	97.88	83.74	72.47	67.47
(iii) +1% increase in rate of salary increase	97.33	83.54	72.34	67.33
(iv) -1% decrease in rate of salary increase	82.91	71.16	62.58	57.76
(v) +1% increase in rate of Attrition rate	89.52	76.66	66.83	61.86
(vi) +1% decrease in rate of Attrition rate	89.77	77.27	67.53	62.68

**VII Actuarial assumptions:**

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	For the period ended 30.09.2023	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
Expected Return on Plan Assets	NA	NA	NA	NA
Discount rate	7.50%	7.58%	7.26%	7.02%
Expected rate of salary increase	7.00%	7.00%	7.00%	7.00%
Mortality Rate During Employment	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Retirement age	60	60	60	60

Notes:

- The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.
- The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Annexure To Note: 1.14**

**Foreign Currency Transactions**

Particulars	Currency	For the period ended 30.09.2023	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Expense in Foreign Currency</b>					
Purchases	USD	21,513	15,494	57,802	71,870
Purchases	CNY	49,694	1,770	3,61,115	26,34,171
Purchases	INR (in lacs)	23.75	12.17	86.21	345.48
Expenses		Nil	Nil	Nil	Nil
<b>Income in Foreign Currency</b>					
Sales		Nil	Nil	Nil	Nil

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
(Formerly known as TRANSTEEL SEATING TECHNOLOGIES PRIVATE LIMITED)  
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**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE 2**

**SHARE CAPITAL**

Annexure-V

Particulars	Amount (Rs. In Lakhs)			
	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
<b>Authorised</b>				
25,000 Equity Shares of Rs.100/- each	-	-	25.00	25.00
2,10,00,000 Equity Shares of Rs.10/- each	2,100.00	2,100.00		
<b>Issued, Subscribed &amp; Fully Paid-up</b>				
23,805 Equity Shares of Rs.100/- each fully paidup	-	-	23.81	23.81
5,82,370 Equity Shares of Rs.10/- each fully paid up	-	58.24	-	-
1,33,94,510 Equity Shares of Rs. 10/- Each	1,339.45			
<b>Total</b>	<b>1,339.45</b>	<b>58.24</b>	<b>23.81</b>	<b>23.81</b>

**NOTE 2A : Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Shares outstanding at the beginning of the year (Nos.)	5,82,370	23,805	23805	23805
Shares Issued during the year for a consideration in cash (Nos.)	-	11,700	-	-
Shares Issued during the year for a consideration other than in cash (Nos.)	-	22,732	-	-
Additional shares after splitting during the year (Nos.)	-	5,24,133	-	-
Bonus issue (Nos.)	1,28,12,140			
<b>Shares outstanding at the end of the year (Nos.)</b>	<b>1,33,94,510</b>	<b>5,82,370</b>	<b>23,805</b>	<b>23,805</b>

**Notes:**

- a. The Authorised Share Capital of the company was increased from 25000 Equity Shares of Rs.100/- each to 21,00,000 Equity Shares of Rs. 100/- each vide resolution passed in EGM dated 04th November, 2022.
- b. The Paid-up Share Capital of the company was increased from 23,805 Equity Shares of Rs.100/- each to 46,537 Equity Shares of Rs. 100/- each vide resolution passed in EGM dated 22nd November, 2022. These 22732 shares were allotted for consideration other than cash i.e. against purchase of immovable property.
- c. The Paid-up Share Capital of the company was increased from 46,537 Equity Shares of Rs.100/- each to 58,237 Equity Shares of Rs. 100/- each vide resolution passed in EGM dated 14th December, 2022.
- d. Each Share of the company of Rs.100/- each was split into 10 Equity Shares of Rs. 10/- each vide resolution passed in EGM dated 25th February, 2023.
- e. The company issued 12812140 equity shares of Rs. 10/- each as bonus shares in the ratio of 22:1 (i.e. 22 (Twenty-two) Fully paid Bonus Shares of Rs.10/- each will be allotted against the holding of 1 (One) equity shares of the Company) vide EGM resolution passed on 20th May, 2023. The effect of bonus shares are considered for calculation of EPS.

**NOTE 2B: Term/rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs 10 per share. Holder of each equity share is entitled to one vote. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the board of directors is subject to the approval of shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the number of equity shares held by the shareholders.

**NOTE 2C: Shares held by Promoters**

Promoter Name	No. of Shares				% Change during the year			
	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021	As at 30.09.2023	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2020-21
	Face Value Rs. 10/-	Face Value Rs. 10/-	Face Value Rs. 100/-	Face Value Rs. 100/-				
1 Shiraz Ibrahim	80,53,910	3,50,170	23,755	23,755	2200.00%	1374.09%	0.00%	0%
2 Nasreen Shiraz	26,25,680	1,14,160	50	50	2200.00%	228220.00%	0.00%	0%
<b>Total</b>	<b>1,06,79,590</b>	<b>4,64,330</b>	<b>23,805</b>	<b>23,805</b>			-	0

**NOTE 2D: The Details of shareholding holding more than 5%**

Promoter Name	As at 30.09.2023		As at 31.03.2023		As at 31.03.2022		As at 31.03.2021	
	Number of Shares	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding
	Face Value Rs. 10/-		Face Value Rs. 10/-		Face Value Rs. 100/-		Face Value Rs. 100/-	
Shiraz Ibrahim	80,53,910	60.13%	3,50,170	60.13%	23,755	99.79%	23,755	99.79%
Nasreen Shiraz	26,25,680	19.60%	1,14,160	19.60%	50	0.21%	50	0.21%

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**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE 3**

**RESERVE & SURPLUS**

Annexure-VI  
Amount (Rs. In Lakhs)

Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
<b>General Reserve</b>				
Opening Balance	49.11	49.11	49.11	49.11
Add : Transfer during the year	-	-	-	-
<b>Closing Balance</b>	<b>49.11</b>	<b>49.11</b>	<b>49.11</b>	<b>49.11</b>
<b>Securities Premium</b>				
Balance at the beginning of the reporting period	875.61	-	-	-
Add: Addition during the year	-	875.61	-	-
Less: Bonus Share Issue	875.61	-	-	-
<b>Balance at the end of the reporting period</b>	<b>-</b>	<b>875.61</b>	<b>-</b>	<b>-</b>
<b>Surplus/(Deficit) in Statement of Profit &amp; Loss</b>				
<b>Opening balance</b>	1,461.16	556.80	397.72	398.31
Add/(Less): Net Profit/(Net Loss) for the current year	417.64	909.36	159.08	-0.59
Less: IPO related expenses	0.89	5.00	-	-
Less: Bonus Issue	405.61	-	-	-
<b>Closing Balance</b>	<b>1,472.31</b>	<b>1,461.16</b>	<b>556.80</b>	<b>397.72</b>
<b>Total</b>	<b>1,521.41</b>	<b>2,385.87</b>	<b>605.91</b>	<b>446.82</b>

**NOTE 4**

**LONG TERM BORROWINGS**

Annexure-VII  
Amount (Rs. In Lakhs)

Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
<b>(a) Secured Loan</b>				
a) Debentures	139.97	368.65	140.48	-
b) Term loans				
<b>From banks</b>				
Working Capital Loan	105.74	117.26	76.08	101.43
Auto/Vehicle Loan	31.28	40.16	82.82	104.71
<b>(b) Unsecured Loans</b>				
<b>Term Loans</b>				
From Banks	517.51	218.94	104.26	8.26
From Financial institution	1,270.92	1,145.03	60.93	-
<b>(c) Loan from related parties</b>	353.48	-	18.80	17.2
<b>Total</b>	<b>2,418.91</b>	<b>1,890.05</b>	<b>483.36</b>	<b>231.60</b>
<b>Less: Current Maturities of Long Term Debts</b>	407.50	319.73	120.73	55.51
<b>Total</b>	<b>2,011.41</b>	<b>1,570.32</b>	<b>362.63</b>	<b>176.09</b>

**NOTE 12**

**DEFERRED TAX LIABILITIES/(ASSETS) (NET)**

Annexure-VIII  
Amount (Rs. In Lakhs)

Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Deferred Tax Liabilities/(Assets)	(17.96)	(7.83)	(4.96)	(3.83)
<b>Total</b>	<b>(17.96)</b>	<b>(7.83)</b>	<b>(4.96)</b>	<b>(3.83)</b>

**NOTE 5**

**LONG TERM PROVISIONS**

Annexure-IX  
Amount (Rs. In Lakhs)

Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Provisions for Employee Benefit	79.15	67.95	59.32	58.21
<b>Total</b>	<b>79.15</b>	<b>67.95</b>	<b>59.32</b>	<b>58.21</b>

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**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE 6**

**SHORT TERM BORROWINGS**

Annexure-X  
Amount (Rs. In Lakhs)

Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
<b>Secured Loan:</b>				
<u>Loans repayable on demand</u>				
A. From Banks	1,434.24	801.05	843.38	756.95
Current maturities of Long term borrowings	407.50	319.73	120.73	55.51
Total	1,841.74	1,120.78	964.11	812.46

**NOTE 7**

**TRADE PAYABLES**

Annexure-XI  
Amount (Rs. In Lakhs)

Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Trade Payables- Due to MSME	8.65	12.58	-	8.45
Trade Payables- Due to Other than MSME	1,822.25	1,767.65	1,144.32	742.07
Total	1,830.90	1,780.23	1,144.32	750.52

**Trade Payables ageing schedule for the period ended 30.09.2023**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	8.65	-	-	-	8.65
Others	1,690.86	101.18	20.54	9.66	1,822.25
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
TOTAL	1,699.51	101.18	20.54	9.66	1,830.90

**Trade Payables ageing schedule for the year ended 31.03.2023**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	12.58	-	-	-	12.58
Others	1,673.10	52.81	19.61	22.13	1,767.65
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
TOTAL	1,685.68	52.81	19.61	22.13	1,780.23

**Trade Payables ageing schedule for the year ended 31.03.2022**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	1,051.23	68.23	22.38	2.48	1,144.32
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
TOTAL	1,051.23	68.23	22.38	2.48	1,144.32

**Trade Payables ageing schedule for the year ended 31.03.2021**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	8.45	-	-	-	8.45
Others	699.55	39.80	2.19	0.53	742.07
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
TOTAL	708.00	39.8	2.19	0.53	750.52

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**NOTES TO RESTATED FINANCIAL INFORMATION**

<b>NOTE 8</b>		Annexure-XII			
<b>OTHER CURRENT LIABILITIES</b>		Amount (Rs. In Lakhs)			
Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021	
Interest Accrued But not due on borrowings	0.32	0.32	0.32	0.32	
<b>Other Payables</b>					
Advance from Customers	692.71	896.38	272.44	135.49	
Expenses payable	49.18	49.74	62.92	61.65	
Due to Director	36.33	15.43	34.73	56.20	
Statutory Due payables	112.86	28.40	8.08	12.20	
Rental deposit	6.60	6.60	-	-	
Credit card payable	5.50	2.80	0.86	-	
<b>TOTAL</b>	<b>903.50</b>	<b>999.68</b>	<b>379.35</b>	<b>265.86</b>	

<b>NOTE 9</b>		Annexure-XIII			
<b>SHORT TERM PROVISIONS</b>		Amount (Rs. In Lakhs)			
Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021	
Provision For Employee Benefits	22.74	21.22	7.85	4.04	
Provision for Income Tax (Net off TDS & TCS)	487.99	332.74	61.81	0.52	
Provision for CSR Expenses	23.89	10.03	-	-	
<b>Total</b>	<b>534.62</b>	<b>363.99</b>	<b>69.65</b>	<b>4.56</b>	

<b>NOTE 10</b>		Annexure-XIV			
<b>PROPERTY, PLANT &amp; EQUIPMENTS AND INTANGIBLE ASSETS</b>		Amount (Rs. In Lakhs)			
Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021	
Property, Plant & Equipments	400.83	434.20	400.01	419.81	
Intangible Assets	16.41	12.73	5.56	5.44	
<b>TOTAL</b>	<b>417.23</b>	<b>446.93</b>	<b>405.57</b>	<b>425.25</b>	

<b>NOTE 11</b>		Annexure-XV			
<b>NON CURRENT INVESTMENTS</b>		Amount (Rs. In Lakhs)			
Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021	
Investments in Property (Property at Main 3rd cross, HAL III stage, Bengaluru 560008)	640.47	640.47	-	-	
<b>Total</b>	<b>640.47</b>	<b>640.47</b>	<b>-</b>	<b>-</b>	

<b>NOTE 13</b>		Annexure-XVI			
<b>OTHER NON CURRENT ASSETS</b>		Amount (Rs. In Lakhs)			
Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021	
Security Deposits	144.27	118.76	101.61	98.06	
Digital Marketing Model Expenses	2,226.01	2,036.61	1,187.57	402.95	
Other Deposit	2.29	2.16	-	-	
<b>Total</b>	<b>2,372.57</b>	<b>2,157.53</b>	<b>1,289.18</b>	<b>501.01</b>	

**Note:**  
The Company has incurred expenditure on acquisition, development and implementation of new systems/processes of Digital Market model for customer loyalty and customer lists as in the past year. This Digital Market model expenditure is to identify and acquire customer data for research and analysis of the same. These customer data/lists accumulated over time, will help the company to bring in relevant/right customers. Further, in the opinion of the directors, this will provide a base for the company to extent this model to Franchises which will help the company to rapidly scale the revenue without incurring similar spends/costs. In view of the above, these expenditure accumulated will be amortised over a period of time from the fifth (5) year onwards.

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**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE 14**

Annexure-XVII

**INVENTORIES**

Amount (Rs. In Lakhs)

Particulars	As at	As at	As at	As at
	30.09.2023	31.03.2023	31.03.2022	31.03.2021
Raw Material at lower of cost or reliable value	1,131.34	1,461.34	718.71	752.97
Work-in-process at cost	285.43	310.43	245.93	154.82
Finished goods at lower of cost or reliable value	985.82	631.7	335.00	275.83
Consumables	0.01	0.47	0.47	1.94
<b>Total</b>	<b>2,402.60</b>	<b>2,403.94</b>	<b>1,300.11</b>	<b>1,185.56</b>

Note: Value of closing inventory has been considered as per AS-2 i.e. lower of Cost or NRV, as certified by the management

**NOTE 15**

Annexure-XVIII

**TRADE RECEIVABLES**

Amount (Rs. In Lakhs)

Particulars	As at	As at	As at	As at
	30.09.2023	31.03.2023	31.03.2022	31.03.2021
(a) Secured, considered good;	-	-	-	-
(b) Unsecured, considered good;	1,203.98	1,030.87	426.90	239.96
(c) Doubtful.	-	-	-	-
<b>Total</b>	<b>1,203.98</b>	<b>1,030.87</b>	<b>426.90</b>	<b>239.96</b>

(Balances are subjected to ledger confirmations)

Trade Receivable Ageing Schedule for the period ended 30.09.2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 6months	6months - 1year	1-2 years	2-3 years	More than 3 years
Undisputed Trade receivables — considered good	763.47	301.44	126.00	8.71	4.36
Undisputed Trade Receivables — considered doubtful	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-
<b>TOTAL</b>					

Trade Receivable Ageing Schedule for the year ended 31.03.2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 6months	6months - 1year	1-2 years	2-3 years	More than 3 years
Undisputed Trade receivables — considered good	883.83	122.38	16.11	0.75	7.80
Undisputed Trade Receivables — considered doubtful	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-
<b>TOTAL</b>					

Trade Receivable Ageing Schedule for the year ended 31.03.2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 6months	6months - 1year	1-2 years	2-3 years	More than 3 years
Undisputed Trade receivables — considered good	304.67	83.72	21.72	7.20	9.59
Undisputed Trade Receivables — considered doubtful	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-
<b>TOTAL</b>	<b>304.67</b>	<b>83.72</b>	<b>21.72</b>	<b>7.20</b>	<b>9.59</b>

Trade Receivable Ageing Schedule for the year ended 31.03.2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 6months	6months - 1year	1-2 years	2-3 years	More than 3 years
Undisputed Trade receivables — considered good	139.04	38.04	47.03	5.25	10.61
Undisputed Trade Receivables — considered doubtful	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-
<b>TOTAL</b>	<b>139.04</b>	<b>38.04</b>	<b>47.03</b>	<b>5.25</b>	<b>10.61</b>

**NOTE 16**

Annexure-XIX

**CASH AND CASH EQUIVALENTS**

Amount (Rs. In Lakhs)

Particulars	As at	As at	As at	As at
	30.09.2023	31.03.2023	31.03.2022	31.03.2021
Balances with Banks	13.45	17.77	0.42	3.04
Cash on Hand (As certified by management)	0.76	0.28	0.39	0.84
Bank deposits (Balances with bank - maturity is more than 12months)	69.67	125.36	115.98	110.97
<b>Total</b>	<b>83.88</b>	<b>143.41</b>	<b>116.79</b>	<b>114.86</b>



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**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE 17**

**SHORT TERM LOANS AND ADVANCES**

Annexure-XX

Amount (Rs. In Lakhs)

Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Loans and advances to related parties				
<b>Others</b>				
<u>Unsecured &amp; Considered good</u>				
Advance to supplier	809.51	665.75	25.67	27.22
Staff Advances	-	0.20	0.77	
<b>Total</b>	<b>809.51</b>	<b>665.95</b>	<b>26.44</b>	<b>27.22</b>

**NOTE 18**

**OTHER CURRENT ASSETS**

Annexure-XXI

Amount (Rs. In Lakhs)

Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Prepaid Expense	17.05	10.93	5.58	5.26
Sundry recoverable	14.48	27.45	15.05	8.50
Income Tax paid less Provision for Tax (Net)	-	-	-	-
Balance with revenue authorities	88.61	11.20	18.52	26.89
Unbilled Revenue	1,993.84	800.54	-	-
<b>Total</b>	<b>2,113.98</b>	<b>850.13</b>	<b>39.15</b>	<b>40.65</b>

**NOTE 19**

**REVENUE FROM OPERATIONS**

Annexure-XXII

Amount (Rs. In Lakhs)

Particulars	For the period ended 30.09.2023	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
Sale of Finished Goods:				
- Domestic	3,096.70	5,899.87	2,765.84	2,184.17
Sale of Services	-	4.38	0.67	-
Other operating revenues	28.97	43.70	32.35	96.98
<b>Total</b>	<b>3,125.67</b>	<b>5,947.95</b>	<b>2,798.86</b>	<b>2,281.15</b>

Note: The above amount of sale of products for the Period upto September 30, 2023 and for the year ended March 31, 2023 includes unbilled revenue of Rs. 1193.29 lacs and 800.54 lacs respectively.

**NOTE 20**

**OTHER INCOME**

Annexure-XXIII

Amount (Rs. In Lakhs)

Particulars	For the period ended 30.09.2023	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Recurring and Related to Business:</b>				
Interest Income	1.15	6.50	6.20	6.40
Other Non-operating Income				
Forex Gain (net)	-	-	0.28	-
<b>Recurring and Not-related to Business:</b>				
Profit on sale of assets	-	-	1.23	-
Other non-operating Income	6.57	6.98	0.17	0.19
<b>Total</b>	<b>7.72</b>	<b>13.48</b>	<b>7.88</b>	<b>6.59</b>

**NOTE 21**

**COST OF MATERIALS CONSUMED**

Annexure-XXIV

Amount (Rs. In Lakhs)

Particulars	For the period ended 30.09.2023	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
Opening Stock of Materials	1,461.34	718.71	752.97	658.55
Purchases of Materials	1,115.62	3,237.44	1,256.59	1,150.00
Less: Closing Stock of Materials	1,131.34	1,461.34	718.71	752.97
Add : Direct Expenses:				
Consumption of stores and spares	36.40	130.30	99.97	80.63
Carriage Inwards	22.37	33.38	6.55	8.76
Custom Duty	26.45	1.57	-	-
Power & Fuel	20.06	37.31	19.52	19.20
Processing / Job Work	43.99	191.47	39.49	21.60
<b>Total</b>	<b>1,594.88</b>	<b>2,888.85</b>	<b>1,456.38</b>	<b>1,185.77</b>

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
(Formerly known as TRANSTEEL SEATING TECHNOLOGIES PRIVATE LIMITED)  
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**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE 22**

**CHANGES IN INVENTORIES**

Annexure-XXV

Amount (Rs. In Lakhs)

Particulars	For the period	For the year	For the year	For the year
	ended	ended	ended	ended
	30.09.2023	31.03.2023	31.03.2022	31.03.2021
Finished goods :				
Opening Stock	631.70	335.00	275.83	199.48
Closing Stock	985.82	631.70	335.00	275.83
<b>(Increase)/Decrease</b>	<b>(354.12)</b>	<b>(296.70)</b>	<b>(59.17)</b>	<b>(76.35)</b>
Work in Progress :				
Opening Stock of WIP	310.43	245.93	154.82	127.74
Closing Stock of WIP	285.43	310.43	245.93	154.82
<b>(Increase)/Decrease</b>	<b>25.00</b>	<b>(64.50)</b>	<b>(91.11)</b>	<b>(27.08)</b>
<b>Total</b>	<b>(329.12)</b>	<b>(361.20)</b>	<b>(150.28)</b>	<b>(103.43)</b>

**NOTE 23**

**EMPLOYEES BENEFIT EXPENSE**

Annexure-XXVI

Amount (Rs. In Lakhs)

Particulars	For the period	For the year	For the year	For the year
	ended	ended	ended	ended
	30.09.2023	31.03.2023	31.03.2022	31.03.2021
Salaries, Wages & Bonus	434.63	888.72	470.08	407.47
Director's Remuneration	90.00	122.00	72.00	48.00
Gratuity	12.72	9.78	4.92	4.39
Contribution to Provident and other funds	27.55	49.51	31.08	26.95
Staff Welfare Expenses	5.46	14.84	5.60	5.38
<b>Total</b>	<b>570.36</b>	<b>1,084.84</b>	<b>583.67</b>	<b>492.18</b>

**NOTE 24**

**FINANCE COST**

Annexure-XXVII

Amount (Rs. In Lakhs)

Particulars	For the period	For the year	For the year	For the year
	ended	ended	ended	ended
	30.09.2023	31.03.2023	31.03.2022	31.03.2021
<b>Interest Expense</b>				
Debentures	31.39	56.37	10.10	-
Other Loans	160.78	176.65	106.55	65.28
<b>Total</b>	<b>192.17</b>	<b>233.02</b>	<b>116.65</b>	<b>65.28</b>

**NOTE 10**

**DEPRECIATION & AMORTIZATION EXPENSE**

Annexure-XXVIII

Amount (Rs. In Lakhs)

Particulars	For the period	For the year	For the year	For the year
	ended	ended	ended	ended
	30.09.2023	31.03.2023	31.03.2022	31.03.2021
Depreciation on Property, Plant & Equipment and Intangible assets	60.12	70.45	61.09	60.62
<b>Total</b>	<b>60.12</b>	<b>70.45</b>	<b>61.09</b>	<b>60.62</b>

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
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**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE 25**

Annexure-XXIX

**OTHER EXPENSES**

Amount (Rs. In Lakhs)

Particulars	For the period ended 30.09.2023	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>General &amp; Administrative</b>				
Insurance expenses	5.65	7.14	1.52	1.88
Legal & Profession Charges	59.16	60.34	38.94	30.03
Postage & Telecommunication	4.72	9.23	9.01	5.12
Printing & Stationery	3.79	4.37	3.71	3.35
Rates & Taxes	5.55	21.20	17.75	15.87
Rent	152.36	215.86	166.13	119.93
Repairs & Maintenance	35.34	38.13	20.29	17.81
Research & Development	-	-	-	2.74
Travelling and conveyance	37.05	73.32	34.62	14.99
Vehicle Maintenance	8.11	15.03	12.14	11.50
Miscellaneous	6.33	3.94	0.34	0.50
Bank & Other charges	7.12	24.96	29.46	45.44
Office Maintenance	7.65	9.36	10.42	10.04
Forex Loss (Net)	(0.11)	1.83	-	5.73
Loss on sale of Fixed assets	-	-	-	8.35
Auditor Remuneration	2.00	2.00	1.60	1.60
Software Expenses	4.76	11.43	-	-
Security Charges	4.00	6.88	-	-
Discount Allowed	9.04	1.44	-	-
License & Subscription Fee	7.95	16.92	-	-
Advertisement & Publicity	-	0.10	8.29	40.71
Market development expenditure amortised	-	-	-	100.74
Business promotion	0.03	0.86	5.27	2.78
Commission on sales	10.12	2.92	0.30	2.25
Distribution /freight outwards	97.73	254.65	156.74	110.47
Services expenses	-	0.00	4.49	15.11
<b>TOTAL</b>	<b>468.34</b>	<b>781.90</b>	<b>521.02</b>	<b>566.94</b>

\*Details of Payment to Auditors

Amount (Rs. In Lakhs)

Particulars	For the period ended 30.09.2023	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Details of Payments to Auditor</b>				
Statutory Audit	2.00	2.00	1.30	1.30
Other Services	-	-	0.30	0.30
Total	2.00	2.00	1.60	1.60

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
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**STATEMENT OF PRINCIPAL TERMS OF LOANS AND ASSETS CHARGED AS SECURITY**

Name of Lender/Fund	Nature of Facility	Date of Issue	Sanctioned Amount (In Lakhs Rs.)	Securities offered	Re-Payment Period	Rate of Interest	Outstanding amount (In Lakhs Rs.) as on (as per Books)
							30-09-2023
<b>4.1. Long term Borrowings:</b>							
<b>SECURED LOANS</b>							
<b>Debenture:</b>							
Series-C Debentures	Non-Convertible Debentures	August 24, 2022	1,69,50,000.00	Fixed Assets of the company except motor vehicle	upon completion of 12 months from date of issue +5 days for reconciliation	16.50%	48.74
Series-D Debentures	Non-Convertible Debentures	October 28, 2022	2,25,00,000.00	Fixed Assets of the company except motor vehicle	upon completion of 12 months from date of issue +5 days for reconciliation	12.00%	32.80
Series-E Debentures	Non-Convertible Debentures	January 25, 2023	1,65,00,000.00	Fixed Assets of the company except motor vehicle	upon completion of 12 months from date of issue +5 days for reconciliation	12.50%	58.44
							<b>139.97</b>
<b>Working Capital Term Loan:</b>							
HDFC Bank Limited	Term Loan	August 07, 2023	36,62,000.00	NIL	Repayable in 12 Equated Monthly Installments of Rs. 3,20,248 per month	9.00%	30.74
HDFC Bank Limited	Term Loan	August 08, 2023	75,00,000.00	NIL	Repayable in 53 Equated Monthly Installments of Rs. 56,250 per month	9.00%	75.00
							<b>105.74</b>
<b>Auto/Vehicle Loan:</b>							
HDFC Bank Limited	Car Loan	July 15, 2019	70,06,761.00	Hypothecation of the vehicle for which loan is obtained	Repayable in 68 Equated Monthly Installments of Rs. 1,46,642 per month	9.35%	23.98
HDFC Bank Limited	Car Loan	September 04, 2020	6,95,000.00	Hypothecation of the vehicle for which loan is obtained	Repayable in 48 Equated Monthly Installments of Rs. 17,630 per month	10.00%	5.72
ICICI Bank Limited	Car Loan	October 21, 2021	4,93,000.00	Hypothecation of the vehicle for which loan is obtained	Repayable in 56 Equated Monthly Installments of Rs. 12,500 per month	9.75%	1.58
							<b>31.28</b>
<b>Total</b>							<b>277.00</b>
<b>UNSECURED LOANS</b>							
Loan From Director						Nil	353.48
<b>Total</b>							<b>353.48</b>
<b>From Banks:</b>							

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
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Name of Lender/Fund	Nature of Facility	Date of Issue	Sanctioned Amount (In Lakhs Rs.)	Securities offered	Re-Payment Period	Rate of Interest	Outstanding amount (In Lakhs Rs.) as on (as per Books)
							30-09-2023
HDFC Bank Limited	Used Car Refinance Loan	February 04, 2023	50,00,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 1,64,880 per month	11.50%	41.57
ICICI Bank Limited	Business Loan	September 08, 2021	35,00,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 1,19,576 per month	14.00%	13.32
Kotak Mahindra Bank Limited	Term Loan	May 28, 2022	35,00,000.00	NIL	Repayable in 24 Equated Monthly Installments of Rs. 1,73,043 per month	16.90%	12.80
Indusind Bank Limited	Term Loan	June 03, 2022	35,00,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 1,25,657 per month	17.50%	22.60
Yes Bank Limited	Business Loan	June 01, 2022	40,00,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 1,40,628 per month	16.00%	25.61
FedBank Financial Services Limited	Term Loan	May 25, 2022	30,30,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 1,09,542 per month	18.00%	19.61
Deutsche Bank Limited	Business Loan	June 08, 2022	30,00,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 1,08,457 per month	18.00%	19.28
Axis Bank Limited	Business Loan	March 17, 2023	20,00,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 71,804 per month	17.50%	17.24
IDFC First Bank Limited	Business Loan	May 30, 2023	51,00,000.00	NIL	Repayable in 24 Equated Monthly Installments of Rs. 2,49,712 per month	16.00%	45.48
HDFC Bank Limited	Business Loan	45178	3,00,00,000.00	NIL	Repayable in 60 Equated Monthly Installment of Rs. 6,22,751 per month	9.00%	300.00
							<b>517.51</b>
<b>From Financial Institutions:</b>							
Riviera Investors Private Limited	Term Loan	April 29, 2022	1,00,00,000.00	NIL	Repayable in 30 Equated Monthly Installments of Rs. 4,21,327 per month	19.00%	52.42
Bajaj Finserv Limited	Business Loan	May 28, 2022	31,44,581.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 1,12,113 per month	17.00%	20.24
Unity Small Finance Bank Limited	Business Loan	May 23, 2022	50,74,446.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 1,86,009 per month	19.00%	33.01

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**STATEMENT OF PRINCIPAL TERMS OF LOANS AND ASSETS CHARGED AS SECURITY**

Name of Lender/Fund	Nature of Facility	Date of Issue	Sanctioned Amount (In Lakhs Rs.)	Securities offered	Re-Payment Period	Rate of Interest	Outstanding amount (In Lakhs Rs.) as on (as per Books)
							30-09-2023
Poonawalla Fincorp Limited	Business Loan	May 30, 2022	25,48,772.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 91,506 per month	17.50%	16.45
Clix Capital Services Private Limited	Business Loan	May 30, 2022	40,25,028.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 1,47,542 per month	19.00%	26.18
Urgo Capital Limited	Business Loan	June 30, 2023	50,35,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 1,85,838 per month	19.50%	48.28
Tata Capital Financial Services Limited	Business Loan	May 30, 2022	25,25,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 91,285 per month	18.00%	16.34
Hero Fincorp Limited	Business Loan	June 02, 2022	10,12,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 37,096 per month	19.00%	6.58
Hero Fincorp Limited	Business Loan	July 22, 2023	32,37,760.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 1,15,435 per month	17.00%	31.68
Aditya Birla Finance Limited	Business Loan	June 06, 2022	20,00,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 72,305 per month	18.00%	13.46
Ambit Finvest Private Limited	Business Loan	June 14, 2022	25,00,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 1,36,168 per month	26.00%	12.23
Ambit Finvest Private Limited	Working Capital Loan	August 05, 2023	30,28,409.00	NIL	Repayable in 24 Equated Monthly Installments of Rs. 1,57,109 per month	22.00%	28.23
Equentia Financial Service Private Limited	Business Loan	October 31, 2022	60,00,000.00	NIL	Repayable in 12 months on demand	14.00%	11.60
Incred Financial Services Limited	Business Loan	February 01, 2023	50,00,000.00	NIL	Repayable in 12 Equated Monthly Installments of Rs. 4,08,164 per month	14.00%	18.40
Kisetsu Saison Finance India Pvt Ltd	Business Loan	February 23, 2023	30,60,000.00	NIL	Repayable in 24 Equated Monthly Installments of Rs. 1,54,251 per month	19.00%	24.00
Protium Finance Limited	Digital Micro Term Loan	February 20, 2023	30,00,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 1,09,212 per month	18.50%	26.07
Inditrade Fincorp Limited	Business Loan	February 23, 2023	20,00,000.00	NIL	Repayable in 30 Equated Monthly Installments of Rs. 85,260 per month	20.00%	16.75



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**STATEMENT OF PRINCIPAL TERMS OF LOANS AND ASSETS CHARGED AS SECURITY**

Name of Lender/Fund	Nature of Facility	Date of Issue	Sanctioned Amount (In Lakhs Rs.)	Securities offered	Re-Payment Period	Rate of Interest	Outstanding amount (In Lakhs Rs.) as on (as per Books)
							30-09-2023
Neogrowth Fincorp Limited	Business Loan	February 24, 2023	20,00,000.00	NIL	Repayable in 24 Equated Monthly Installments of Rs. 1,06,492 per month	24.75%	15.88
Ashv Finance Limited	Business Loan	February 28, 2023	35,00,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 1,26,534 per month	18.00%	30.41
Abans Finance Private Limited	Working Capital Loan	December 07, 2022	10,00,00,000.00	NIL	Repayable in 12 months on demand	12.00%	678.29
L&T Finance Limited	Term Loan	July 20, 2023	35,00,000.00	NIL	Payable in 36 monthly installments of Rs. 1,25,157/- each	17.75%	33.25
MAS Financial Services Limited	SME Loan	May 08, 2023	75,00,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 2,71,143 per month	18.00%	71.81
SBM Bank	Business Loan	March 29, 2023	17,00,000.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 62,315 per month	19.00%	15.17
Arka Fincap Limited	Working Capital Loan	June 30, 2023	25,25,441.00	NIL	Repayable in 36 Equated Monthly Installments of Rs. 91,935 per month	18.50%	24.18
							<b>1,270.93</b>
<b>Total</b>							<b>2,418.92</b>

**6.1. Short term Borrowings:**

**Secured Loan**

**Cash Credit**

HDFC Bank Limited	Working Capital Loan	June 27, 2023	15,00,00,000.00	Primarily secured against Accepted Invoice, Debtors, Fd Margin For Lc, P&m, Stock and Security collateral against Fd As Colletral Margin, Pg, Residential Property for the following assets: a) RVilla No E07,block B Off Mysore Road Good Earth Foot Prints Acs College Of Engineering, St.benedict's Institute Of Nursing Bangalore Karnataka 560068 b) Apt No 6011,level-1 Sy No 6/1 And 6/2 Junnasandra Village Core-6 Block A Prestige Silver Dale Hp Petrol Pump Bangalore Karnataka 560300 c) Site No.139,3rd Cross, Hal 3rd Stage 4th Main Indra Nagar Hal 3rd Stage Bangalore Karnataka 560034	Repayable on demand	9 % The spread will be modified based on 3 t bill as on loan booking date	1,434.24
							<b>1,434.24</b>

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**NOTE 10**

Annexure-XIV

**Property, Plant & Equipment & Intangible Assets**

Amount (Rs. In Lakhs)

As on 30.09.2023										
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at	Additions	Disposal	As at	As at	For the	Adjustment	As at	As at	As at
	01.04.2023			30.09.2023	01.04.2023	Year		30.09.2023	30.09.2023	31.03.2023
<b>Tangible Assets</b>										
Plant & Machinery	216.45	0.55		217.00	70.02	11.27		81.29	135.71	146.42
Generator Set	7.86	-	-	7.86	5.87	0.80	-	6.67	1.19	1.99
Electrical Fitting	37.81	0.62	-	38.44	22.95	3.70	-	26.65	11.78	14.86
Office Equipments	63.75	0.47	-	64.22	40.59	4.03	-	44.62	19.60	23.16
Computers	65.67	3.38	-	69.05	46.99	4.26	-	51.25	17.80	18.68
Vehicles	227.79	-	-	227.79	82.28	23.48	-	105.76	122.03	145.51
Furniture and Fittings	153.40	20.39	-	173.79	69.83	11.24	-	81.07	92.72	83.57
Land	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>772.73</b>	<b>25.42</b>	<b>-</b>	<b>798.15</b>	<b>338.51</b>	<b>58.79</b>	<b>-</b>	<b>397.30</b>	<b>400.83</b>	<b>434.20</b>
<b>Intangible assets</b>										
Software	29.58	5.01	-	34.59	16.84	1.34	-	18.18	16.41	12.73
<b>Total</b>	<b>29.58</b>	<b>5.01</b>	<b>-</b>	<b>34.59</b>	<b>16.84</b>	<b>1.34</b>	<b>-</b>	<b>18.18</b>	<b>16.41</b>	<b>12.73</b>
<b>Total</b>	<b>802.31</b>	<b>30.43</b>	<b>-</b>	<b>832.74</b>	<b>355.35</b>	<b>60.12</b>	<b>-</b>	<b>415.47</b>	<b>417.23</b>	<b>446.93</b>
As on 31.03.2023										
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at	Additions	Disposal	As at	As at	For the	Adjustment	As at	As at	As at
	01.04.2022			31.03.2023	01.04.2022	Year		31.03.2023	31.03.2023	31.03.2022
<b>Tangible Assets</b>										
Plant & Machinery	166.51	49.94		216.45	58.61	11.41		70.02	146.42	107.90
Generator Set	7.86	-	-	7.86	4.90	0.96	-	5.87	1.99	2.96
Electrical Fitting	29.06	8.75	-	37.81	17.27	5.68	-	22.95	14.86	11.79
Office Equipments	52.53	11.22	-	63.75	35.03	5.55	-	40.59	23.16	17.50
Computers	49.14	16.53	-	65.67	40.56	6.43	-	46.99	18.68	8.58
Vehicles	221.13	6.66	-	227.79	56.16	26.12	-	82.28	145.51	164.97
Furniture and Fittings	144.19	9.21	-	153.40	57.85	11.98	-	69.83	83.57	86.34
<b>Total</b>	<b>670.42</b>	<b>102.31</b>	<b>-</b>	<b>772.73</b>	<b>270.38</b>	<b>68.13</b>	<b>-</b>	<b>338.52</b>	<b>434.20</b>	<b>400.04</b>
<b>Intangible assets</b>										
Software	20.09	9.49	-	29.58	14.52	2.32	-	16.84	12.73	5.57
<b>Total</b>	<b>20.09</b>	<b>9.49</b>	<b>-</b>	<b>29.58</b>	<b>14.52</b>	<b>2.32</b>	<b>-</b>	<b>16.84</b>	<b>12.73</b>	<b>5.57</b>
<b>Total</b>	<b>690.51</b>	<b>111.80</b>	<b>-</b>	<b>802.31</b>	<b>284.90</b>	<b>70.45</b>	<b>-</b>	<b>355.35</b>	<b>446.93</b>	<b>405.61</b>

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**NOTE 10**

Annexure-XIV

**Property, Plant & Equipment & Intangible Assets**

Amount (Rs. In Lakhs)

As on 31.03.2022										
Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at	Additions	Disposal	As at	As at	For the	Adjustment	As at	As at	As at
	01.04.2021			31.03.2022	01.04.2021	Year		31.03.2022	31.03.2022	31.03.2021
<b><i>Property, Plant &amp; Equipment</i></b>										
Plant & Machinery	166.25	0.26	-	166.51	49.33	9.28	-	58.61	107.89	116.92
Generator Set	7.86	-	-	7.86	4.15	0.75	-	4.90	2.96	3.71
Electrical Fitting	27.87	1.19	-	29.06	12.68	4.59	-	17.27	11.79	15.19
Office Equipments	46.78	5.75	-	52.53	29.71	5.32	-	35.03	17.49	17.07
Computers	45.59	3.55	-	49.14	36.46	4.10	-	40.56	8.57	9.13
Vehicles	214.92	15.22	9.01	221.13	36.44	25.02	5.30	56.16	164.97	178.48
Furniture and Fittings	126.69	17.50	-	144.19	47.37	10.48	-	57.85	86.34	79.32
<b>Total</b>	<b>635.96</b>	<b>43.47</b>	<b>9.01</b>	<b>670.42</b>	<b>216.14</b>	<b>59.55</b>	<b>5.30</b>	<b>270.38</b>	<b>400.01</b>	<b>419.82</b>
<b><i>Intangible assest</i></b>										
Software	18.42	1.67	-	20.09	12.98	1.54	-	14.52	5.57	5.44
<b>Total</b>	<b>18.42</b>	<b>1.67</b>	<b>-</b>	<b>20.09</b>	<b>12.98</b>	<b>1.54</b>	<b>-</b>	<b>14.52</b>	<b>5.56</b>	<b>5.44</b>
<b>Total</b>	<b>654.38</b>	<b>45.14</b>	<b>9.01</b>	<b>690.51</b>	<b>229.12</b>	<b>61.09</b>	<b>5.30</b>	<b>284.90</b>	<b>405.57</b>	<b>425.26</b>
<b>Capital Work-in Progress#</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
As on 31.03.2021										
Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at	Additions	Disposal	As at	As at	For the year	Adjustment	As at	As at	As at
	01.04.2020			31.03.2021	01.04.2020			31.03.2021	31.03.2021	31.03.2020
<b><i>Property, Plant &amp; Equipment</i></b>										
Plant & Machinery	157.54	8.29	-0.42	166.25	39.73	9.59	-	49.33	116.92	117.80
Generator Set	7.86	-	-	7.86	3.41	0.75	-	4.15	3.70	4.45
Electrical Fitting	27.14	1.17	0.44	27.87	7.31	5.41	0.03	12.68	15.19	19.83
Office Equipments	41.11	5.68	0.01	46.78	22.75	6.98	0.02	29.71	17.06	18.35
Computers	42.98	2.61	-	45.59	30.59	5.93	0.06	36.46	9.13	12.39
Vehicles	149.09	101.20	35.36	214.92	34.54	19.62	17.72	36.44	178.48	114.55
Furniture and Fittings	120.49	5.76	-0.44	126.69	36.29	11.12	0.04	47.37	79.32	84.20
<b>Total</b>	<b>546.20</b>	<b>124.71</b>	<b>34.95</b>	<b>635.95</b>	<b>174.62</b>	<b>59.40</b>	<b>17.88</b>	<b>216.14</b>	<b>419.81</b>	<b>371.58</b>
<b><i>Intangible assest</i></b>										
Software	15.73	2.69	-	18.42	11.75	1.23	-	12.98	5.44	3.98
<b>Total</b>	<b>15.73</b>	<b>2.69</b>	<b>-</b>	<b>18.42</b>	<b>11.75</b>	<b>1.23</b>	<b>-</b>	<b>12.98</b>	<b>5.44</b>	<b>3.98</b>
<b>Total</b>	<b>561.93</b>	<b>127.39</b>	<b>34.95</b>	<b>654.37</b>	<b>186.38</b>	<b>60.62</b>	<b>17.88</b>	<b>229.12</b>	<b>425.25</b>	<b>375.55</b>
<b>Capital Work-in Progress#</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
**(Formerly known as TRANSTEEL SEATING TECHNOLOGIES PRIVATE LIMITED)**  
**CIN: U36109KA1995PLC017137**

**ADDITIONAL NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE 1.20 - BASIC AND DILUTED EARNINGS PER SHARE**

Particulars		2023-2024	2022-2023	2021-2022	2020-2021
Profit after Tax	Rs. In Lakhs	417.64	909.36	159.08	(0.59)
Closing Number of equity shares	Nos.	1,33,94,510	5,82,370	23,805	23,805
Weighted average number of Equity shares	Nos.	1,33,94,510	1,33,70,204	1,33,60,078	1,33,60,078
Basic earnings per share	Rupees	3.12	6.80	1.19	0.01
Diluted Earning per Share	Rupees	3.12	6.80	1.19	0.01

**NOTE 1.21-**

Medium Enterprises Development Act, 2006 and hence disclosures has been made only for the parties from whom the declaration has been received. In respect of other vendors from whom declaration has not been received disclosure has not been made for those which have not been received disclosure has not been made.

**For. GUPTA AGARWAL & ASSOCIATES**  
**Chartered Accountants**  
**FRN: 329001E**

Sd/-  
**Jay Shanker Gupta**  
**(Partner)**  
**Membership No. 059535**

**Place : Kolkata**  
**Date : October 19, 2023**

**For & or behalf of Directors**

Sd/-  
**Shiraz Ibrahim**  
**MD/CFO**  
**DIN : 00812527**

Sd/-  
**Abhishek Lohia**  
**Company Secretary & Compliance Officer**

**Place : Banglore**  
**Date: October 18, 2023**

Sd/-  
**Nasreen Shiraz**  
**Director**  
**DIN : 00581065**

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
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**STATEMENT OF RELATED PARTY TRANSACTIONS**

**NOTE 1.22 : Related Party Disclosures**

Annexure-XXX

**A. List of Related parties**

<u>Sl. No.</u>	<u>Name</u>	
<b><u>Key Mangerial Personnel</u></b>		
1	Shiraz Ibrahim	Managing Director & CFO
2	Nasreen Shiraz	Director
3	Abhishek Lohia	Company Secreatry
<b><u>Relative of Key Mangerial Personnel</u></b>		
	Simran Ibrahim	Daughter of Director
<b><u>Equity Holding Substantial interest</u></b>		

Amount (Rs. In Lakhs)

**AS ON 30.09.2023**

A. Transactions with Related Parties during the period	KMP	Relative of KMP	Holding Company	Enterprises having Significant Influence
Nature of Transactions				
<b>Remuneration</b>				
1. Shiraz Ibrahim	45.00			
2. Nasreen Ibrahim	45.00			
3. Simran Ibrahim	5.49			
<b>Borrowings received</b>				
1. Shiraz Ibrahim	-			
2. Nasreen Ibrahim	438.48			
<b>Borrowings Repaid</b>				
1. Shiraz Ibrahim	-			
2. Nasreen Ibrahim	85.00			
<b>Expenses Reimbursement</b>				
1. Shiraz Ibrahim	36.05			
2. Nasreen Ibrahim	14.20			
3. Simran Ibrahim		0.93		
<b>B.Salary</b>				
Simran Ibrahim		-		

B. Outstanding Balances	KMP	Relative of KMP	Holding Company	Enterprises having Significant Influence
Nature of Transactions				
1. Shiraz Ibrahim	380.06			
2. Nasreen Ibrahim	6.74			
3. Simran Ibrahim		0.95		

**Enterprises having Significant Influence**

Amount (Rs. In Lakhs)

**AS ON 31.03.2023**

A. Transactions with Related Parties during the period	KMP	Relative of KMP	Holding Company	Enterprises having Significant Influence
Nature of Transactions				
<b>Remuneration</b>				
1. Shiraz Ibrahim	71.00			
2. Nasreen Ibrahim	51.00			
<b>Advance Received</b>				
1. Shiraz Ibrahim	175.01			
2. Nasreen Ibrahim	63.16			
<b>Advance Repaid</b>				
1. Shiraz Ibrahim	181.31			
2. Nasreen Ibrahim	75.66			
<b>Expenses Reimbursement</b>				
1. Shiraz Ibrahim	127.45			
2. Nasreen Ibrahim	54.21			
3. Simran Ibrahim		3.80		
<b>Issue of shares against purchase of immovable property</b>				
1. Shiraz Ibrahim	300.40			
2. Nasreen Ibrahim	300.40			
<b>B.Salary</b>				
Simran Ibrahim		10.09		
<b>B. Outstanding Balances</b>				
Nature of Transactions	KMP	Relative of KMP	Holding Company	Enterprises having Significant Influence
1. Shiraz Ibrahim	14.98			
2. Nasreen Ibrahim	0.45			

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
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**STATEMENT OF RELATED PARTY TRANSACTIONS**

AS ON 31.03.2022

<b>A. Transactions with Related Parties during the period</b>				
Nature of Transactions	KMP	Relative of KMP	Holding Company	Enterprises having Significant Influence
<b>A. Remuneration</b>				
1. Shiraz Ibrahim	48.00			
2. Nasreen Ibrahim	24.00			
<b>B. Salary</b>				
Simran Ibrahim		4.90		
Amount (Rs. In Lakhs)				
<b>C. Outstanding Balances</b>				
Nature of Transactions	KMP	Relative of KMP	Holding Company	Enterprises having Significant Influence
1. Shiraz Ibrahim				
2. Nasreen Ibrahim	6.30			
	12.50			
<b>D. Advances/ Debit Recoverable</b>				
1. Simran Ibrahim		0.62		
AS ON 31.03.2021				
<b>A. Transactions with Related Parties during the year</b>				
Nature of Transactions	KMP	Relative of KMP	Holding Company	Enterprises having Significant Influence
<b>A. Remuneration</b>				
1. Shiraz Ibrahim	36.00			
2. Nasreen Ibrahim	12.00			
<b>B. Outstanding Balances</b>				
Nature of Transactions	KMP	Relative of KMP	Holding Company	Enterprises having Significant Influence
1. Shiraz Ibrahim	7.70			
2. Nasreen Ibrahim	9.50			

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
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*Annexure-XXXI*

**Restated Statement of Adjustments to Audited Financial Statements**

*Amount (Rs. In Lakhs)*

**(i) Reconciliation of Restated Profit:**

The reconciliation of Profit after tax as per audited financial statements and the Profit after tax as per Restated financial statements is presented below. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit / loss of the company

Particulars	For the year ended 30th September'23	For the year ended 31st March'23	For the year ended 31st March'22	For the year ended 31st March'21
<b>Profit after tax as per audited/ re-audited financial statements</b>	417.64	909.64	156.38	1.66
<b>(i) Adjustments on account of change in accounting policies:</b>	-	-	-	-
<b>(ii) Other material adjustments:</b>	-	-	-	-
Employee benefit expenses	-	(21.24)	2.64	20.01
Cost of material consumed	-	(0.00)	(165.53)	(130.18)
Other expenses	-	(0.00)	165.55	130.08
Income tax adjustments	-	9.46	(1.07)	(6.14)
Prior period items	-	-	-	(3.41)
Deferred tax adjustment	-	11.50	1.12	(12.61)
<b>(iii) Audit Qualifications:</b>	-	-	-	-
<b>Restated profit after tax</b>	<b>417.64</b>	<b>909.36</b>	<b>159.08</b>	<b>(0.59)</b>

**(ii) Reconciliation of Restated Shareholders Funds:**

The reconciliation of Shareholder's funds as per audited financial statements and Shareholder's funds as per Restated financial statements is presented below. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on Shareholder's funds of the company.

Particulars	For the year ended 30th September'23	For the year ended 31st March'23	For the year ended 31st March'22	For the year ended 31st March'21
<b>Shareholder's funds as per Audited/ Re-audited financial statements</b>	<b>2,860.70</b>	<b>2,443.95</b>	629.27	472.89
<b>(i) Adjustments on account of change in accounting policies:</b>	-	-	-	-
<b>(ii) Differences carried over pertaining to changes in Profit/ Loss due to Restated Effect for the period covered in Restated Financial</b>	0.17	0.45	(2.25)	
<b>(iii) Differences pertaining to changes in Profit/ Loss due to Restated Effect for the period covered in Restated Financial</b>	-	(0.28)	2.70	(2.25)
<b>(iv) Other material adjustments # :</b>	-	-	-	-
<b>(v) Audit Qualifications:</b>	-	-	-	-
<b>Restated Shareholder's funds</b>	<b>2,860.87</b>	<b>2,444.11</b>	<b>629.72</b>	<b>470.64</b>



**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
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*Annexure-XXXII*

**STATEMENT OF CAPITALISATION**

PARTICULARS	Pre-Offer	Post-Offer
<b>Debt</b>		
- Short Term Debt	1,434.24	-
- Long Term Debt	2,418.91	-
<b>Total Debt</b>	<b>3,853.15</b>	-
<b>Shareholders' Fund (Equity)</b>		
- Share Capital	1,339.45	-
- Reserves & Surplus	1,521.41	-
- Less: Miscellaneous Expenses not W/off	-	-
<b>Total Shareholders' Fund (Equity)</b>	<b>2,860.86</b>	-
<b>Long Term Debt / Equity (In Ratio)</b>	0.85	-
<b>Total Debt / Equity (In Ratio)</b>	1.35	-

**Notes:-**

1. Short Term Debts represent which are expected to be paid/payable within 12 months and exclude installments of Term Loans repayable within 12 months.
2. Long Term Debts represent debts other than Short Term Debts as defined above but include installments of Term Loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30/09/2023.
4. The post issue capitalization will be determined only after the completion of the allotment of Equity Shares.

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
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**OTHER FINANCIAL INFORMATION**

Annexure-XXXIII

Amount (Rs. In Lakhs)

Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Net Worth (A)	2,860.86	2,444.11	629.71	470.63
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	815.06	1,557.02	395.95	143.81
Restated Profit after tax	417.64	909.36	159.08	(0.59)
Add: Prior Period Item	-	-	-	2.46
Adjusted Profit after Tax(B)	417.64	909.36	159.08	1.87
Number of Equity Share outstanding as on the End of Year/Period (C)	1,33,94,510	5,82,370	23,805	23,805
Weighted average no of Equity shares as on the end of the period year(D)				
- Pre Bonus (D(i))	1,33,94,510	5,58,064	23,805	23,805
- Post Bonus and after split (D(ii))	1,33,94,510	1,33,70,204	1,33,60,078	1,33,60,078
Face Value per Share	10.00	10.00	100.00	100.00
Restated Basic & Diluted Earnings Per Share (In Rs.) (B/D)				
- Pre Bonus (B/D(i))	3.12	162.95	668.28	7.84
- Post Bonus and after split (B/D(ii))	3.12	6.80	1.19	0.01
Return on Net worth (%) (B/A)	14.60%	37.21%	25.26%	0.40%
Net asset value per share (A/D(i)) (Pre Bonus) (In Rs.)	21.36	437.96	2,645.30	1,977.02
Net asset value per share (A/D(ii)) (Post Bonus and after split) (In Rs.)	21.36	18.28	4.71	3.52

**Notes:-**

1. The ratios have been Computed as per the following formulas

(i) Basic Earnings per Share

Restated Profit after Tax available to equity shareholders

Weighted average number of equity shares outstanding at the end of the year / period

(ii) Net Asset Value (NAV) per Equity Share

Restated Net Worth of Equity Share Holders

Number of equity shares outstanding at the end of the year / period

(iii) Return on Net worth (%)

Restated Profit after Tax available to equity shareholders

Restated Net Worth of Equity Share Holders

2. EBITDA represents Earnings (or Profit/ (Loss)) before Finance Costs, Income Taxes, and Depreciation and Amortization Expenses. Extraordinary and Exceptional Items have been considered in the calculation of EBITDA as they were expense items.

3. Net Profit as restated, as appearing in the Statement of Profit and Losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the Restated Financial Information of the Company.

4. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earning per Share", issued by the Institute of Chartered Accountants of India.

5. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

6. The Company Has Subdivided each Equity Share of the nominal value of Rs.100/- (Rupees One Hundred only) each, into 10 (Ten) Equity Shares of Face Value Rs.10/- (Rupees Ten only) each fully paid up, Vide Resolution Passed In Members Meeting Dated 25th February, 2023, effect of this bonus issue has been considered to calculate EPS..

7. The company issued 12812140 equity shares of Rs. 10/- each as bonus shares in the ratio of 22:1 (i.e. 22 (Twenty-two) Fully paid Bonus Shares of Rs.10/- each will be allotted against the holding of 1 (One) equity shares of the Company) vide EGM resolution passed on 20th May, 2023, effect of this bonus issue has been considered to calculate EPS.

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
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**RESTATED STATEMENT OF TAX SHELTER**

Annexure-XXXIV

Amount (Rs. In Lakhs)

Particulars	As at 30.09.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Net Profit/(Loss) before taxes (A)	562.77	1,253.54	218.21	17.91
Tax Rate Applicable %	25.17%	25.17%	25.17%	26.00%
Minimum Alternate Taxes (MAT)	19.06%	19.06%	19.06%	19.06%
<b>Adjustments</b>				
Add: Depreciation as per Companies act	60.12	70.45	61.09	60.62
Add: Loss on sale of fixed assets				8.35
Add: Gratuity provision	12.72	9.78	4.20	6.95
Add: Disallowance under Income Tax Act, 1961	13.86	22.25	15.71	0.48
Less: Taxable under other heads of income	-	-	-	-
Less: Depreciation as per Income Tax Act, 1961	32.60	68.83	59.79	67.10
Less: Deductions under Income Tax Act, 1961				
Less : Deffered Tax Credit Adjuted for computation of Tax under 115JB of Income Tax Act				
<b>Net Adjustments(B)</b>	<b>54.11</b>	<b>33.66</b>	<b>21.21</b>	<b>9.30</b>
<b>Business Income (A+B)</b>	<b>616.88</b>	<b>1,287.20</b>	<b>239.41</b>	<b>27.21</b>
Income from Capital Gains				
Sale Consideration	-	-	-	-
Less: Cost of Acquisition	-	-	-	-
Long/ Short Term Capital Gain	-	-	-	-
Less: Brought Forward Capital Gain	-	-	-	-
Income from Other Sources (Interest Income)	-	-	-	-
Interest on Income Tax Refund	-	-	-	-
Interest on security Deposit	-	-	-	-
Damages and claims received	-	-	-	-
Gross Total/ Taxable Income	616.88	1,287.20	239.41	27.21
Less: Deductions U/S 80JJAA				-
<b>Net Total/ Taxable Income</b>	<b>616.88</b>	<b>1,287.20</b>	<b>239.41</b>	<b>27.21</b>
Less: Loss of M/s. Unikon paints for the A.Y 2019-20	-	-	-	-
NET TAXABLE INCOME	616.88	1,287.20	239.41	27.21
Tax Payable as per Normal Rate	155.26	323.96	60.26	7.08
Tax Payable as per Special Rate:			-	-
Interest payable on above	-	23.09	-	-
Tax as per Income Tax (C)	155.26	347.05	60.26	7.08
Tax Payable as per Minimum Alternate Tax U/S 115 JB of the Income Tax Act,1961	-	-	-	3.41
Interest Payable on above	-	-		
Tax as per MAT (D)	107.26	238.92	41.59	3.41
<b>Net Tax (Higher of C &amp; D)</b>	<b>155.26</b>	<b>347.05</b>	<b>60.26</b>	<b>7.08</b>
<b>Current tax as per restated Statement of Profit &amp; Loss</b>	<b>155.26</b>	<b>347.05</b>	<b>60.26</b>	<b>7.08</b>

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
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**RESTATED STATEMENT OF CONTINGENT LIABILITIES**

**Annexure-XXXV**

**Amount (Rs. In Lakhs)**

<b>Particulars</b>	<b>As at 30.09.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Claims against the company not acknowledged as Debts	Unascertainable	Unascertainable	Unascertainable	Unascertainable
Bank Guarantee (Financial)	5.85	5.85	NIL	NIL
Income Tax Demand	0.06	0.06	NIL	NIL
TDS Demand	3.93	3.93	NIL	NIL
<b>Total</b>	<b>9.84</b>	<b>9.84</b>	<b>NIL</b>	<b>NIL</b>

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
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**Restated Statement of Accounting Ratios**

**Annexure-XXXVI**

**Amount (Rs. In Lakhs)**

Particulars	NOTES	As at 30.09.2023*	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Current Assets	[A]	6,613.95	5,094.30	1,909.39	1,608.24
Current Liabilities	[B]	5,110.76	4,264.68	2,557.44	1,833.40
Current Ratio	[A/B]	<b>1.29</b>	<b>1.19</b>	<b>0.75</b>	<b>0.88</b>
Debt	[A]	3,853.15	2,691.10	1,326.75	988.55
Equity	[B]	2,860.86	2,444.11	629.71	470.63
Debt - Equity Ratio	[A/B]	<b>1.35</b>	<b>1.10</b>	<b>2.11</b>	<b>2.10</b>
Earnings available for debt service	[A]	815.06	1,557.02	395.95	143.81
Debt Service	[B]	599.67	552.75	237.38	120.79
Debt - Service Coverage Ratio	[A/B]	<b>1.36</b>	<b>2.82</b>	<b>1.67</b>	<b>1.19</b>
Net Profit after Tax	[A]	417.64	909.36	159.08	-0.59
Shareholder's Equity	[B]	2,860.86	2,444.11	629.71	470.63
Return on Equity Ratio (%)	[A/B]	<b>14.60%</b>	<b>37.21%</b>	<b>25.26%</b>	<b>-0.13%</b>
Cost of Goods Sold	[A]	1,265.76	2,527.65	1,306.10	1,082.34
Inventory	[B]	2,402.60	2,403.94	1,300.11	1,185.56
Inventory Turnover Ratio	[A/B]	<b>0.53</b>	<b>1.05</b>	<b>1.00</b>	<b>0.91</b>
Net Sales	[A]	3,125.67	5,947.95	2,798.86	2,281.15
Trade Receivables	[B]	1,203.98	1,030.87	426.90	239.96
Trade Receivables Turnover Ratio	[A/B]	<b>2.60</b>	<b>5.77</b>	<b>6.56</b>	<b>9.51</b>
Net Purchase	[A]	1,264.88	3,631.48	1,422.12	1,280.19
Trade Payables	[B]	1,830.90	1,780.23	1,144.32	750.52
Trade Payables Turnover Ratio	[A/B]	<b>0.69</b>	<b>2.04</b>	<b>1.24</b>	<b>1.71</b>
Net Sales	[A]	3,125.67	5,947.95	2,798.86	2,281.15
Current Assets		6,613.95	5,094.30	1,909.39	1,608.24
Current Liabilities		5,110.76	4,264.68	2,557.44	1,833.40
Working Capital	[B]	1,503.19	829.61	(648.05)	(225.16)
Working Capital Turnover Ratio	[A/B]	<b>2.08</b>	<b>7.17</b>	<b>(4.32)</b>	<b>(10.13)</b>
Net Profit	[A]	417.64	909.36	159.08	(0.59)
Net Sales	[B]	3,125.67	5,947.95	2,798.86	2,281.15
Net Profit Ratio (%)	[A/B]	13.36%	15.29%	5.68%	-0.03%
Earning before interest and taxes	[A]	754.94	1,486.56	334.86	83.19
Capital Employed	[B]	4,872.27	4,014.43	992.35	646.72
Capital Employed = Total Equity + Long term Debt					
Return on Capital Employed (%)	[A/B]	15.49%	37.03%	33.74%	12.86%

**TRANSTEEL SEATING TECHNOLOGIES LIMITED**  
**(Formerly known as TRANSTEEL SEATING TECHNOLOGIES PRIVATE LIMITED)**  
**CIN: U36109KA1995PLC017137**

**Restated Statement of Accounting Ratios**

**Annexure-XXXVI**

Net Return on Investment	[A]	6.60	3.94	-	-
Cost of Investment	[B]	640.47	640.47		
Return on Investment	[A / B]	1.03%	0.61%		

Notes:

1. Debt Service coverage ratio decreased by 51.75% for the period ended 30.09.2023 as compared to F.Y. 2022-23 due to decrease in EBIDT for current period.
2. Return on Equity ratio decreased by 60.76% for the period ended 30.09.2023 as compared to F.Y. 2022-23 due to decrease in Net Profit after tax for current period.
3. Inventory turnover ratio decreased by 49.90% for the period ended 30.09.2023 as compared to F.Y. 2022-23 due to decrease in Cost of goods sold for current period.
4. Trade Receivable turnover ratio decreased by 55.01% for the period ended 30.09.2023 as compared to F.Y. 2022-23 due to decrease in Net sales and increase in trade receivables for current period.
5. Trade payable turnover ratio decreased by 66.13% for the period ended 30.09.2023 as compared to F.Y. 2022-23 due to decrease in purchases for current period.
6. Working capital turnover ratio changed by 71% for the period ended 30.09.2023 as compared to F.Y. 2022-23 due to decrease in Net sales and increase in Working capital purchases for current period.
7. Return on capital employed ratio decreased by 58.16% for the period ended 30.09.2023 as compared to F.Y. 2022-23 due to decrease in EBIT and increase in Capital employed for current period.
8. Return on Investment ratio changed by 67.57% for the period ended 30.09.2023 as compared to F.Y. 2022-23 due to increase in Rental income from investment for current period.

**\* Figures for the period ended September 30, 2023 are not annualised, it is for six months figures compared with full years figures of F.Y. 2022-23**

**No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:**

- a) Crypto Currency or Virtual Currency
- b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- c) Registration of charges or satisfaction with Registrar of Companies
- d) Relating to borrowed funds
  - i) Wilful defaulter
  - ii) Utilisation of borrowed funds & share premium
  - iii) Borrowings obtained on the basis of security of current assets
  - iv) Discrepancy in utilisation of borrowings
  - v) Current maturity of long term borrowings
- d) Relating to borrowed funds
  - i) Wilful defaulter
  - ii) Utilisation of borrowed funds & share premium
  - iii) Borrowings obtained on the basis of security of current assets
  - iv) Discrepancy in utilisation of borrowings
  - v) Current maturity of long term borrowings

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

**MATERIAL DEVELOPMENTS AFTER BALANCE SHEET DATE**

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our Financial Statements as Restated which is included in this Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Financial Statements as Restated, for the period ended on September 30, 2023 and financial years ended on March 31, 2023, 2022 and 2021 including the related notes and reports, included in this Red Herring Prospectus is prepared in accordance with requirements of the Companies Act, 2013 and restated in accordance with the SEBI (ICDR) Regulations, 2018, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited statutory financial statements. Accordingly, the degree to which our Financial Statements as Restated will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.*

*This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these Forward-Looking Statements as a result of certain factors such as those described under chapters titled "Risk Factors" and "Forward Looking Statements" beginning on pages 31 and 25, respectively of this Red Herring Prospectus.*

*Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.*

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.

### **Our Core business is as follows:**

Transteel, a furniture provider, has been catering to businesses of all sizes for over two decades. However, in 2019, we took a considerable leap by adopting a digital-first approach, transforming the way customers engage with our brand. This shift has made it convenient for customers to browse and purchase our diverse range of furniture online.

We are a known furniture provider with over 20 years of corporate and B2B experience. Our Company has developed the skill and expertise in making chairs, office furniture and other residential and commercial furniture. Over the years we have continued to focus on what we do well i.e. craft performance oriented Tables and Chairs. Our furniture solutions are a mix of design, value, and ergonomics, which ensure that your back stays in good shape, day after day. We have also developed the in house Technical & Design team to provide turnkey solution and implementation of interior and work space in Commercial, Residential and Educational Institutions. Our aim is to develop creative and innovative Designs in furniture space and to develop techniques to make all products as part of "Make in India" initiative. Our Company's proficiency lies in understanding the specific requirement of our potential customers and based on which we take the orders and we design according to the client's requirements and deliver the final product. We provide wide assortment of products, such as Office Chairs and Office Furniture. Our professionals are devoted to develop a product range capable to gain a nationwide interest for its finish, designs, colour combinations, flawless detailing, quality and higher durability.

Our company has its manufacturing facility situated at No. 28, 4<sup>th</sup> Main, Industrial Suburb, Yeswantpur, Bangalore – 560022, Karnataka, India. We outsource the mould of our products to the vendors for preparing them as per our requirements, these mould are then given to Injection moulding vendors to mould the part of the products. Once the parts are ready they are sourced to the factory where we have developed assembly lines to assemble each product. Also, some of the products are manufactured at our factory. Our company have also expanded its presence in Mumbai, Chennai, Delhi NCR, Pune and Hyderabad. The following tables gives a view of sales across India.

### **Location Wise Breakup of Our Revenue**

**The Breakup of the same is as follows:**



Year	Bangalore	Chennai	Hyderabad	Delhi NCR	Mumbai	Pune	Others
FY 2020-2021	37 %	15%	18%	15%	5%	NA	10%
FY 2021-2022	30 %	15%	20%	20%	10%	0	5%
FY 2022-2023	30 %	15%	20%	20%	10%	3%	2%

We believe that we have differentiated ourselves from our competitors through introduction of new products, including launching new designs targeted at addressing consumer needs, market trends and providing better value to our consumers. Our diversified product portfolio enables us to cater to a wide range of preferences and consumer segments. Our products are ready to use and provide space management and are primarily targeted to clients in Education, Healthcare, Hospitality, Banking, Insurance and Info Tech Companies.

The company provides the right kind of furniture that is practical and affordable as well as attractive and enduring. It can be tailored as per unique needs. The company is using latest machineries and technology. The company keeps on upgrading its Manufacturing set-up, design capabilities and workmanship to deliver superior quality products with on-time deliveries and without any compromise on quality.

At Transteel, we prioritize customer satisfaction above all. We understand that the customer journey begins the moment they visit our website and extends until they receive their furniture. Hence, we strive to offer the best possible experience at every touchpoint. Whether it's seamless website navigation, comprehensive product information, effortless purchasing process, or prompt delivery, our aim is to provide an exceptional experience that exceeds customer expectations.

With our digital-first approach, we have empowered customers to effortlessly transform their office spaces by selecting furniture that suits their requirements, style, and budget. Transteel has extensive product range with better quality, and a customer-centric approach. We look forward to serving more businesses and individuals with our exceptional furniture solutions as we forge ahead into the future.

Recently, our company has acquired a property measuring 2,100 Sq. ft. from the promoters of the company, the said property was acquired by issuing shares to the promoters. The company is in process of converting the said property into a showroom for its products. The property is currently been leased out on rent and the company is driving rental income from the said property. Since the property along with the land belongs to the company and is situated in a renowned area of Bangalore, hence company plans on opening a showroom at the said property, which would add value to the company.

Transteel delivers and installs all its products through our team of in-house technicians. Third party logistics is used only for shipment from our factory to the branch godowns and subsequently to the customer premises.

Our company is promoted by Ms. Nasreen Shiraz and Mr. Shiraz Ibrahim. Our promoters have a combined experience of over 26 years in the Furniture Industry. Driven by passion for building an integrated furniture provider company, our Promoters have been the pillars of our Company's growth since inception. With their enriching experience and progressive thinking, we aim to continue to grow in the furniture Industry India and abroad.

#### Revenue Wise Breakup of Our Online and Offline Orders

Transteel's generates its revenue from online, offline and Omni Chanel. However, Transteel facilities Omnichannel commerce as well. Omnichannel refers to the way organizations might tailor the customer experience for individuals across physical and digital channels. That is depending on the customer's preference i.e. Direct orders on our website or Backend orders placed by us on behalf of the customer on our website, Purchase order and order form signed during a store visit.

Transteel acquires customers with a digital first approach. The use our digital asset based on Google platforms to dominate and drive traffic to our website. We then acquire customers using an omnichannel approach based on the customers preferences. Transteel has a strong brand recall due our 25+ Year association with the corporate segment.

The Breakup of the same is as follows:

Year	Online Orders %	Offline Orders %	Omni Chanel (Combo of Offline & Online) %	Particulars
FY 2020-2021	100%	NA	NA	Due to pandemic situation such as Covid, entire revenue generated was from Online Orders only.
FY 2021-2022	80%	20%	NA	With ease in Covid effects, along with Online orders, we had received order offline as well.

FY 2022-2023	40%	30%	30%	Post Covid, the customer's preference shifting to brand discovery online and transaction completion with a combination of both offline & offline. That is having a personal feel of furniture and ease of placing orders online.
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### After Sale Services

Transteel provides a one-year warranty to its retail customers and two years to its larger corporate customers.

We provide the following after sales services:

- a) Inspection services: To inspect the furniture and recommend any preventative maintenance that is to be done / suggest a change in any component that is broken down due to usage.
- b) Paid Service: We offer replacement of consumable parts of the office furniture like locks, handles, gas lift, castors etc. against order from customer.
- c) Change of upholstery: Renewal services on office furniture by changing the fabric, foam, laminate etc.
- d) Relocation services: Dismantling, packing, transportation and reassembly of the furniture at the new location.”

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Red Herring Prospectus, there have not arisen any circumstances that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the previous twelve months except:

- The Board of our Company has approved to raise funds through initial public offering in the Board meeting held on June 19, 2023.
- The members of our Company approved proposal of Board of Directors to raise funds through initial public offering in the extra ordinary general meeting held on June 21, 2023.
- Our Company was converted from a private limited company to public limited company vide resolution passed in its members meeting dated November 04, 2022 and a fresh certificate of incorporation consequent to conversion was issued on April 19, 2023 by the Registrar of Companies, Bangalore bearing Corporate Identification Number U36109KA1995PLC017137.
- The Company issued 1,28,12,140 bonus Equity Shares in the proportion of 22:1 (Twenty-Two) fully paid equity shares of ₹10.00 each allotted against 1(One) Equity Shares of ₹ 10.00 each vide resolution passed in its members meeting dated May 20, 2023 effect of this bonus issue has been considered to calculate EPS.

### FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our company's future results of operations could be affected potentially by the following factors:

1. Experienced Promoter
2. Sales, Marketing and Distribution Capabilities
3. Brand Positioning
4. Quality Assurance & Control

The following table set forth certain key performance indicators for the years indicated:

**Key Performance Indicators of our Company**

Key Financial Performance	April 01, 2023 – September 30, 2023	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	3,125.67	5,947.95	2,798.86	2,281.15
EBITDA <sup>(2)</sup>	807.34	1,543.53	388.07	137.22
EBITDA Margin <sup>(3)</sup>	25.83%	25.95%	13.87 %	6.02%
PAT	417.64	909.36	159.08	(0.59)
PAT Margin <sup>(4)</sup>	13.36%	15.29%	5.68%	(0.03) %
Networth <sup>(5)</sup>	2,860.86	2,444.11	629.71	470.63
RoE % <sup>(6)</sup>	14.60%	37.21%	25.26%	(0.13)%
RoCE% <sup>(7)</sup>	15.34%	36.69%	32.95%	11.84%

**Notes:**

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements  
(2) EBITDA is calculated as Profit before tax + Depreciation + Interest –expense – Other Income  
(3) ‘EBITDA Margin’ is calculated as EBITDA divided by Revenue from Operations  
(4) ‘PAT Margin’ is calculated as PAT for the period/year divided by Revenue from Operations.  
(5) Net worth means the aggregate value of the Paid-up Share Capital and Reserves and Surplus of the Company less Deferred Tax Assets.  
(6) Return on Equity ratio is calculated as Profit after Tax divided by Shareholder Equity  
(7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders’ equity plus long term borrowings.

**Explanations for KPI Metrics**

KPI	Explanation
Revenue from Operation	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business in key verticals
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
RoE%	RoE provides how efficiently our Company generates profits from Shareholders’ Funds
RoCE%	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.

**STATEMENT OF SIGNIFICANT POLICIES**

**Corporate Information:**

TRANSTEEL SEATING TECHNOLOGIES LIMITED is a Public Company domiciled in India originally incorporated as TRANSTEEL SEATING TECHNOLOGIES PRIVATE LIMITED vide certificate of incorporation consequent upon conversion to Public Limited Company dated 19<sup>th</sup> April,2023 issued by Registrar of Companies, Bangalore, being Corporate Identification Number U36109KA1995PLC017137. The company is in the business of manufacturing of seating systems & work stations and has manufacturing facilities in India. The Company primarily caters to the Indian market.

**Note 1- Significant Accounting Policies:**

- 1.1 Basis of preparation of financial statements

- (a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company.
- (b) The financial statements are prepared to comply in all material respects with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Companies Act, 2013.
- (c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / material.

#### 1.2 Revenue Recognition

- (a) The company generally follows the mercantile system of accounting and recognizes Income & Expenditure on accrual basis.
- (b) Revenue is recognised to the extent that it is possible that, the economic benefits will flow to the company and the revenue can be reliably estimated and collectability is reasonably assured.
- (c) Revenue from sale of goods and services are recognised when control of the products being sold is transferred to our customer and even there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.
- (d) Revenue is measured on the basis of sale price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and service tax etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.
- (e) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### 1.3 Property, Plant & Equipment and Intangible Assets & Depreciation

- (a) Property, Plant and Equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.
- (b) Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the statement of profit and loss during the period in which they are incurred.
- (c) Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of property, plant and equipment and are recognised in the statement of profit and loss when the same is derecognised.
- (d) Depreciation is calculated on pro rata basis on straight line method (SLM) based on estimated useful Life as prescribed under Part C of Schedule – II of the Companies Act, 2013. Freehold land is not depreciated.
- (e) Intangible asset purchased are initially measured at cost. The cost of an intangible assets comprises its purchase price including duties and taxes and any costs directly attributable to making the assets ready for their intended use. The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives.

#### 1.4 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its

recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

#### 1.5 Investments

Investments classified as long-term investments are stated at cost. Provision is made to recognize any diminution other than temporary in the value of such investments. Current investments are carried at lower of cost and fair value.

#### 1.6 Inventories

Inventories consisting of Raw Materials, W-I-P and Finished Goods are valued at lower of cost and net realizable value unless otherwise stated. Cost of inventories comprises of material cost on FIFO basis and expenses incurred in bringing the inventories to their present location and condition.

#### 1.7 Employee Benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to the statement of profit and loss for the year when an employee renders the related services.

b) Provision for Gratuity expenses have been considered as per actuarial valuation report for respective years.

c) Leave encashment to the employees are accounted for as & when the same is claimed by eligible employees.

#### 1.8 Borrowing Costs

(a) Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

(b) Other Borrowing costs are recognized as expense in the period in which they are incurred.

#### 1.9 Taxes on Income

(a) Tax expense comprises of current tax and deferred tax.

(b) Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws.

(c) Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognized, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognized only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence

#### 1.10 Earnings per Share (EPS)

(a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### 1.11 Prior Period Items

Prior Period and Extraordinary items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed in financial statements.

#### 1.12 Provisions / Contingencies

(a) Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

- (b) Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.
- (c) A Contingent Asset is not recognized in the Accounts.

#### 1.13 Segment Reporting

- A) Business Segments:** Based on the guiding principles given in Accounting Standard 17 (AS - 17) on Segment Reporting issued by ICAI, the Company has only one reportable Business Segment which is engaged in business of manufacturing of seating systems & work stations and has manufacturing facilities in India. Accordingly, the figures appearing in these financial statements relate to the Company's single Business Segment.
- B) Geographical Segments:** The Company activities / operations are confined to India and as such there is only one geographical segment. Accordingly, the figures appearing in these financial statements relate to the Company's single geographical segment.

#### 1.14 Foreign Currency Transactions

Foreign exchange transactions are recorded at the rate prevailing on the date of respective transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Exchange differences arising on foreign exchange transactions settled during the year and on restatement as at the balance sheet date are recognized in the statement of profit and loss for the year.

#### 1.15 Digital Market Model

The Company has incurred expenditure on acquisition, development and implementation of new systems/processes of Digital Market model for customer loyalty and customer lists as in the past year. This Digital Market model expenditure is to identify and acquire customer data for research and analysis of the same. These customer data/lists accumulated over time, will help the company to bring in relevant/right customers. Further, in the opinion of the directors, this will provide a base for the company to extent this model to Franchises which will help the company to rapidly scale the revenue without incurring similar spends/costs. In view of the above, this expenditure accumulated will be amortised over a period of time from the fifth (5) year onwards.

#### 1.16 Warranty

The company sells its product carrying a warranty. No provision is made in the accounts toward warranty expenses. The same is accounted on actuals basis.

#### 1.17 Balance Confirmations

Balance of Debtors & Creditors & Loans & advances Taken & giving are subject to confirmation and subject to consequential adjustments, if any. Debtors & creditors balance has been shown separately and the advances received and paid from/to the parties is shown as advance from customer and advance to suppliers.

#### 1.18 Regrouping

Previous year's figures have been regrouped and reclassified wherever necessary to match with current year grouping and classification.

#### 1.19 Pandemic (Covid-19) impact

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position for the year ended March 31, 2023 and has concluded that there is no significant impact which is required to be recognized in the financial statements. Accordingly, no adjustments are required to be made to the financial statements.



## DISCUSSION ON RESULTS OF OPERATION

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our Company for the period ended on September 30, 2023 and financial year ended on March 31, 2023, 2022 and 2021.

### Results of Our Standalone Operations

The following table sets forth select financial data from our financial statements as restated of profit and loss for the period ended on September 30, 2023 and financial years ended on March 31, 2023, 2022 and 2021 the components of which are also expressed as a percentage of total revenue for such periods:

Particulars	September 30, 2023	% of total income	March 31, 2023	% of total income	March 31, 2022	% of total income	March 31, 2021	% of total income
Revenue from Operations	3,125.67	99.75%	5,947.95	99.77%	2,798.86	99.72%	2,281.15	99.71%
Other income	7.72	0.25%	13.48	0.23%	7.88	0.28%	6.59	0.29%
<b>Total Revenue (A)</b>	<b>3,133.39</b>	<b>100.00%</b>	<b>5,961.43</b>	<b>100.00%</b>	<b>2,806.74</b>	<b>100.00%</b>	<b>2,287.74</b>	<b>100.00%</b>
<b>Expenses:</b>								
Cost of Material Consumed	1594.88	50.90%	2,888.85	48.46%	1,456.38	51.89%	1,185.77	51.83%
Purchases of Stock-in-trade	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Changes in Inventories	-329.12	-10.50%	-361.20	-6.06%	-150.28	-5.35%	-103.43	-4.52%
Employee benefits expense	570.36	18.20%	1,084.84	18.20%	583.67	20.80%	492.18	21.51%
Other expenses	468.34	14.95%	781.90	13.12%	521.02	18.56%	566.94	24.78%
<b>Total Expenses (B)</b>	<b>2,304.46</b>	<b>73.55%</b>	<b>4,394.39</b>	<b>73.71%</b>	<b>2,410.79</b>	<b>85.89%</b>	<b>2,141.46</b>	<b>93.61%</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization (C=A-B)</b>	<b>828.93</b>	<b>26.45%</b>	<b>1,567.04</b>	<b>26.29%</b>	<b>395.95</b>	<b>14.11%</b>	<b>146.28</b>	<b>6.39%</b>
Finance costs (D)	192.17	6.13%	233.02	3.91%	116.65	4.16%	65.28	2.85%
Depreciation and amortization expenses (E)	60.12	1.92%	70.45	1.18%	61.09	2.18%	60.62	2.65%
<b>Profit before exceptional items, extraordinary items and tax (F=C-D-E)</b>	<b>576.64</b>	<b>18.40%</b>	<b>1,263.57</b>	<b>21.20%</b>	<b>218.21</b>	<b>7.77%</b>	<b>20.37</b>	<b>0.89%</b>
<b>Exceptional Items</b>	<b>13.86</b>	<b>0.44%</b>	<b>10.03</b>	<b>0.17%</b>	-	<b>0.00%</b>	<b>2.46</b>	<b>0.11%</b>
CSR	13.86	0.44%	10.03	0.17%	-	0.00%	-	0.00%
Prior period item- Depreciation for earlier years			-	0.00%	-	0.00%	2.46	0.11%
<b>Profit before tax (F=C-D-E)</b>	<b>562.77</b>	<b>17.96%</b>	<b>1,253.54</b>	<b>21.03%</b>	<b>218.21</b>	<b>7.77%</b>	<b>17.91</b>	<b>0.78%</b>
<b>Tax Expenses</b>								
- Current Tax	155.26	4.96%	347.05	5.82%	60.26	2.15%	7.08	0.31%
- Short/(Excess) Provision of Earlier Year			-	0.00%	-	0.00%	-	0.00%
MAT Credit Entitlement			-	0.00%	-	0.00%	-0.73	-0.03%
- Deferred Tax	-10.13	-0.32%	-2.87	-0.05%	-1.14	-0.04%	12.15	0.53%
<b>Tax Expense For The Year (G)</b>	<b>145.13</b>	<b>4.63%</b>	<b>344.18</b>	<b>5.77%</b>	<b>59.12</b>	<b>2.11%</b>	<b>18.50</b>	<b>0.81%</b>
<b>Profit after tax (H=F-G)</b>	<b>417.64</b>	<b>13.33%</b>	<b>909.36</b>	<b>15.25%</b>	<b>159.09</b>	<b>5.67%</b>	<b>-0.59</b>	<b>-0.03%</b>

### Overview of Revenue and expenditure

#### Revenue and Expenditure

*Total Revenue:* Our total revenue comprises of revenue from operations and other income.



*Revenue from operations:* Our revenue from operations comprises of Sale of Product & Services.

*Other Income:* Our other income comprises of Interest Income, Discount received, Rental Income and Freight Collected.

*Expenses:* Our expenses comprise of Cost of Operation, Employee Benefit Expenses, Finance Cost, Depreciation and Amortisation Expenses and Other Expenses.

*Cost of Operation:* Our Cost of Operation comprises of purchases and direct expenses.

*Employee Benefit Expenses:* Our employee benefit expense consists of Salaries, Wages & Bonus, Director's Remuneration, Contribution to ESI, Contribution to EPF, Gratuity Expenses Current Year and Staff Welfare Expenses.

*Finance Cost:* Our finance costs comprise of Bank Charges, Interest on Term Loan and Loan Process Charges.

*Depreciation and amortisation expenses:* Tangible assets are depreciated over periods corresponding to their estimated useful lives. Depreciation includes depreciation charged on tangible assets.

*Other expenses:* Other expenses includes **General & Administrative** – Insurance expenses, Legal & professional charges, Payment to Auditor Printing & stationary, Rent, Rates & taxes, Repairs & maintenance, Research & development, Travelling & conveyance, Electricity charges and Forex Loss (Net), **Sales & Marketing** – Advertisement & publicity, Business promotion, Commission on sales, Distribution/freight outwards and service expenses.

*Exceptional Items:* Our Exceptional Items comprises of CSR Expenses and Prior period adjustments.

*Provision for Tax:* Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax, as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

## **DISCUSSION OF PERIOD ENDED SEPTEMBER 30, 2023**

### ***Income***

*Total Revenue:* Our total revenue was ₹3133.39 lakhs for the period ended September 30, 2023 due to the factors described below:

### ***Revenue from operations***

Our revenue from operations is ₹3,125.67 Lakhs for the period ended September 30, 2023.

### ***Expenses***

Our total expenses excluding finance cost, depreciation and tax expenses is ₹2,304.46 Lakhs for the period ended September 30, 2023. Comprising of the factors described below: -

### ***Cost of Material Consumed***

Our *Cost of Operation* is ₹1594.88 Lakhs for the period ended September 30, 2023 due to increase in our scale of operation.

### ***Changes in Inventories***

Our changes in inventories is ₹(329.12) Lakhs for the for the period ended September 30, 2023.

### ***Employee benefits expenses***

Our employee benefit expenses is ₹570.36 Lakhs for the period ended September 30, 2023 due to increase in Salaries, Wages & Bonus, Directors Remuneration, Gratuity Expenses, Contribution to Provident and other funds, and Staff welfare expenses.

### ***Finance costs***

Our finance cost is ₹192.17 Lakhs for the period ended September 30, 2023 consisting of increase in Interest on Debentures and other Loans.

### ***Depreciation and amortization expense***

Our depreciation for the period ended September 30, 2023 is ₹60.12 Lakhs.

### ***Other expenses***

Our other expenses is ₹468.34 Lakhs for the period ended September 30, 2023. The increase was mainly due to increase in Insurance expenses, Legal & Profession Charges, Postage & Telecommunication, Printing & Stationery, Rates & Taxes, Rent, Repairs & Maintenance, Research & Development, Travelling and conveyance, Vehicle Maintenance, Miscellaneous, Bank & Other charges, Office Maintenance, Forex Loss (Net), Loss on sale of Fixed assets, Auditor Remuneration, Software Expenses, Security Charges, Discount Allowed, License & Subscription Fee, Sales & Marketing, Advertisement & Publicity, Market development expenditure amortised, Business promotion, Commission on sales, Distribution /freight outwards and Services expenses

### ***Exceptional Items***

As per The Companies Act, 2013 our company attracts the provision of CSR, and for that purpose we have created a CSR provision in our books, which is of ₹13.86 Lakhs for the period ended September 30, 2023.

### ***Profit before tax***

Our profit before tax is ₹562.77 Lakhs for the period ended September 30, 2023. The increase was mainly due to the factors described above.

### ***Tax expenses***

Our tax expenses for the period ended September 30, 2023 amounts to ₹145.13 Lakhs

### ***Profit After Tax***

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 417.64 lakhs for the period ended September 30, 2023

## **COMPARISON OF FY 2022-23 WITH FY2021-22**

### ***Income***

**Total Revenue:** Our total revenue increased by ₹3154.69 lakhs or 112.40% to ₹5961.43 Lakh for the financial year 2022-23 from ₹2806.74 Lakh for the financial year 2021-22 due to the factors described below:

### ***Revenue from operations***

Our revenue from operations is ₹5,947.95 Lakhs for the financial year 2022-23 as compared to ₹2,798.86 Lakhs for the financial year 2021-22 representing an increase of 112.51% on account of expansion of business.

### ***Total Revenue:***

Our Total Revenue has increased from ₹2,806.74 Lakhs in FY 2021-22 to ₹5,961.43 Lakhs in FY 2022-23 representing an increase of 112.40%. The increase was mainly due to increase in sales. Our sales has increased significantly post covid due to our online presence during the Covid period.

### ***Expenses***

Our total expenses excluding finance cost, depreciation and tax expenses is ₹4394.39 Lakhs for the financial year 2022-23 as compared to ₹2410.79 Lakhs for the financial year 2021-22 representing an increase of 82.28% due to the factors described below: -

#### ***Cost of Material Consumed***

Our *Cost of Operation* is ₹2888.85 Lakhs for the financial year 2022-23 as compared to ₹1456.38 Lakhs for the financial year 2021-22 representing an increase of 98.36% due to increase in our scale of operation.

#### ***Changes in Inventories***

Our changes in inventories is ₹(361.20) Lakhs for the financial year 2022-23 as compared to ₹(150.28) Lakhs for the financial year 2021-22 representing a change of 140.35% due to increase in closing inventory as on March 31, 2023.

#### ***Employee benefits expenses***

Our employee benefit expenses is ₹1084.84 Lakhs for the financial year 2022-23 as compared to ₹583.67 Lakhs for the financial year 2021-22 representing an increase of 85.87% due to increase in Salaries, Wages & Bonus, Directors Remuneration, Contribution to ESI Contribution to EPF, Gratuity Expenses.

#### ***Finance costs***

Our finance cost is ₹233.02 Lakhs for the financial year 2022-23 as compared to ₹116.65 Lakhs for the financial year 2021-22 representing an increase of 99.76% on account of increase in Bank Charges, Interest Cost and Loan Processing charges.

#### ***Depreciation and amortization expense***

Our depreciation increased by 15.32% to ₹70.45 Lakhs for the financial year 2022-23 from ₹61.09 Lakhs for the financial year 2021-22 due to wear and tear of assets.

#### ***Other expenses***

Our other expenses increased by 50.07% to ₹781.90 Lakhs for the financial year 2022-23 from ₹521.02 Lakhs for the financial year 2021-22, which is 13.12% and 18.56% of the total revenue of respective years. The increase was mainly due to increase in Audit Fees, Electricity Expenses, CSR activity, Event expenses, Signage Board Expenses, Marketing and sales promotion, Pooja expenses, Courier Charges, Telephone Charges, Printing & Stationery, Consumables, Insurance expenses, Repairs & Maintenance, Business promotion expenses which was partially set off with decrease in Office expenses, Rent Rates & taxes, Petrol Expenses, Office Event Expenses, Transportation and Travelling and conveyance.

#### ***Exceptional Items***

As per The Companies Act, 2013 our company attracts the provision of CSR, and for that purpose we have created a CSR provision in our books, which is of ₹10.03 Lakhs for F.Y.22-23.

#### ***Profit before tax***

Our profit before tax increased by 474.46% to ₹1,253.54 Lakhs for the financial year 2022-23 from ₹218.21 Lakhs for the financial year 2021-22. The increase was mainly due to the factors described above.

#### ***Tax expenses***

Our tax expenses for the financial year 2022-23 amounted to ₹344.18 Lakhs as against tax expenses of ₹59.12 Lakhs for the financial year 2021-22. The net increase of ₹285.06 is on account of increase in Current tax which partially set off with Deferred Tax Assets.

### ***Profit After Tax***

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 909.36 lakhs in FY 2022-23 as compared to a net profit of ₹159.08 lakhs in FY 2021-22. The Reason for increase in PAT from FY 2021-22 to FY2022-23 are

- (a) The cost of material consumed forms approximately 48% of the total revenue of FY 2022-23 which was as high as approximately 52% of the total revenue in FY 2021-22.
- (b) Interest on Bank Loans is also reduced as optimum utilization of funds was done, thereby impacting profitability considerably
- (c) Due to Decrease in Amount of Changes in inventories, Profitability has increased
- (d) There is Decline in percentage of Selling, General and Administrative Expenses and Depreciation. These expenses are of Fixed Nature and don't increase in line with increase in Sales and thus impacts Profitability
- (e) Moreover, Turnover has increased from ₹2,798.86 Lakhs to ₹5,947.95 Lakhs which also impacts profits of the company.

### **COMPARISON OF FY 2021-22 WITH FY 2020-21**

#### ***Income***

**Total Revenue:** Our total revenue increased by ₹519 lakhs or 22.69% to ₹2806.74 Lakh for the financial year 2021-22 from ₹2287.74 Lakh for the financial year 2020-21 due to the factors described below:

#### ***Revenue from operations***

Our revenue from operations is ₹2798.86 Lakhs for the financial year 2021-22 as compared to ₹2281.15 Lakhs for the financial year 2020-21 representing a growth of 22.70% on account of increase and expansion of sale of Services.

#### ***Total Revenue:***

Our Total Revenue has increased from ₹ 2287.74 Lakhs in FY 2020-21 to ₹2,806.74 Lakhs in FY 2021-22 representing an increase of 22.69%. The increase was mainly due to increase in sales. Our online platform enabled us to increase our sales during Covid period by increase in sale of "Work-From-Home Furniture".

#### ***Expenses***

Our total expenses excluding finance cost, depreciation and tax expenses is ₹2410.79 Lakhs for the financial year 2021-22 as compared to ₹2141.46 Lakhs for the financial year 2020-21 representing an increase of 12.58% due to the factors described below: -

#### ***Cost of Material Consumed***

Our *Cost of Operation* is ₹1456.38 Lakhs for the financial year 2021-22 as compared to ₹1185.77 Lakhs for the financial year 2020-21 representing an increase of 22.82% due to increase in our scale of operation.

#### ***Changes in Inventories***

Our changes in inventories is ₹(150.28) Lakhs for the financial year 2021-22 as compared to ₹(103.43) Lakhs for the financial year 2020-21 representing a change of 45.30%.

#### ***Employee benefits expenses***

Our employee benefit expenses is ₹583.67 Lakhs for the financial year 2021-22 as compared to ₹492.18 Lakhs for the financial year 2020-21 representing an increase of 18.59% due to increase in Salaries, Wages & Bonus, Directors Remuneration, Contribution to ESI Contribution to EPF, Gratuity Expenses and Staff Welfare Expenses.

### **Finance costs**

Our finance cost is ₹116.65 Lakhs for the financial year 2021-22 as compared to ₹65.28 Lakhs for the financial year 2020-21 representing an increase of 78.69 % on account of increase in Bank Charges and Interest Cost.

### **Depreciation and amortization expense**

Our depreciation increased by 0.77% to ₹61.09 Lakhs for the financial year 2021-22 from ₹60.62 Lakhs for the financial year 2020-21 due to wear and tear of assets.

### **Other expenses**

Our other expenses decreased by 8.10% to ₹521.02 Lakhs for the financial year 2021-22 from ₹566.94 Lakhs for the financial year 2020-21, which is 18.56% and 24.78% of the total revenue of respective years. The increase was mainly due to increase in Insurance expenses, Legal & professional charges, Payment to Auditor Printing & stationary, Rent, Rates & taxes, Repairs & maintenance, Research & development, Travelling & conveyance, Electricity charges and Forex Loss (Net), Advertisement & publicity, Business promotion, Commission on sales, Distribution/freight outwards and service expenses.

### **Exceptional Items**

Exceptional Item of ₹2.46 Lakhs in the financial year 2020-21 was due to adjustment in Prior Period items.

### **Profit before tax**

Our profit before tax increased by 1118.37% to 218.21 Lakhs for the financial year 2021-22 from ₹17.91 Lakhs for the financial year 2020-21. The increase was mainly due to the factors described above.

### **Tax expenses**

Our tax expenses for the financial year 2021-22 amounted to ₹59.12 Lakhs as against tax expenses of ₹18.50 Lakhs for the financial year 2020-21. The net increase of ₹40.62 Lakhs is on account of increase in Current tax which partially set off with Deferred Tax Assets.

### **Profit After Tax**

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 159.09 lakhs in FY 2021-22 as compared to a net loss of ₹0.59 lakhs in FY 2020-21. The Reason for increase in PAT from FY 2020-21 to FY 2021-22 are

- Due to Decrease in percentage of Depreciation on total revenue, Profitability has increased
- There is Decline in Selling, General and Administrative Expenses. These expenses are of Fixed Nature and don't increase in line with increase in Sales and thus impacts Profitability
- Turnover has increased from ₹2,281.15 Lakhs to ₹ 2,798.86 Lakhs which has also increased the profits of the company,
- Consideration of Earlier year depreciation and Provision for Gratuity in FY 2020-21 in the restated financials has further decreased the profits for the said year, thereby increasing the comparable profits for FY 2021-22."

### **Changes in Cash Flows**

The table below summaries our cash flows from our Restated Financial Statements for the period ended on September 30, 2023 and financial years ended on March 31, 2023, 2022 and 2021:

Particulars	(₹in Lakh)			
	For the period ended September 30, 2023	For the financial year ended March 31,		
	2023	2023	2022	2021
Net cash (used in)/ generated from operating Activities	(784.20)	-395.63	602.55	184.66
Net cash (used in)/ generated from investing Activities	(244.31)	-	-822.17	-516.97
		1,614.12		
Net cash (used in)/ generated from financing Activities	968.99	2036.37	221.54	328.77
Net increase/ (decrease) in cash and cash Equivalents	(59.53)	26.62	1.94	-3.54

Cash and Cash Equivalents at the beginning of the period	143.41	116.79	114.86	118.40
Cash and Cash Equivalents at the end of the Period	83.88	143.41	116.79	114.86

## Operating Activities

### For the period ending September 30, 2023

Our net cash used in operating activities was ₹(784.20) Lakhs for the period ended on September 30, 2023. Our operating profit before working capital changes was ₹825.11 Lakhs for the period ended September 30, 2023 which was primarily adjusted against decrease in Inventories ₹1.34, increase in trade receivables by ₹173.11 Lakhs, increase in Short Term Loans & Advances ₹143.56 Lakhs, increase in Other Current Assets by ₹1263.85 Lakhs, increase in trade payables by ₹50.67 Lakhs, decrease in other current liabilities by ₹96.18 Lakhs, increase in short term provision by ₹170.63 Lakhs which was further decreased by payment of Income Tax of ₹155.26 Lakhs.

### Financial year 2022-23

Our net cash used in operating activities was ₹(395.63) Lakhs for the financial year ended on March 31, 2023. Our operating profit before working capital changes was ₹1559.15 Lakhs for the financial year 2022-23 which was primarily adjusted against increase in Inventories ₹1103.83, increase in trade receivables by ₹603.97 Lakhs, increase in Short Term Loans & Advances ₹639.51 Lakhs, increase in Other Current Assets by ₹ 810.98 Lakhs, increase in trade payables by ₹635.89 Lakhs, increase in other current liabilities by ₹620.33 Lakhs, increase in short term provision by ₹294.34 Lakhs which was further decreased by payment of Income Tax of ₹347.05 Lakhs.

### Financial year 2021-22

Our net cash used in operating activities was ₹602.56 Lakhs for the financial year ended on March 31, 2022. Our operating profit before working capital changes was ₹389.63 Lakhs for the financial year 2021-22 which was primarily adjusted against increase in inventories by ₹114.55 Lakhs, increase in trade receivables by ₹186.94 Lakhs, decrease in Short Term Loans & Advances by ₹0.78 Lakhs, decrease in Other Current Assets by ₹1.50 Lakhs, increase in trade payables by ₹393.82 Lakhs, increase in other current liabilities by ₹113.49 Lakhs, increase in short term provision by ₹65.09 Lakhs which was further decreased by payment of Income Tax of ₹60.26 Lakhs.

### Financial year 2020-21

Our net cash used in operating activities was ₹184.66 Lakhs for the financial year ended on March 31, 2020. Our operating profit before working capital changes was ₹129.93 Lakhs for the financial year 2020-21 which was primarily adjusted against increase in inventories by ₹199.79, decrease in trade receivables by ₹85.15 Lakhs, decrease in Short Term Loans & Advances ₹38.76 Lakhs, increase in Other Current Assets by ₹40.65 Lakhs, increase in trade payables by ₹87.46 Lakhs, increase in other current liabilities by ₹89.48 Lakhs, increase in short term provision by ₹0.65 Lakhs which was further decreased by payment of Income Tax of ₹6.35 Lakhs.

## Investing Activities

### For the period ending September 30, 2023

Our net cash used from investing activities was (₹244.31) Lakhs for the period ended on September 30, 2023. These were on account of Purchase of Property, Plant & Equipment of ₹30.43 Lakhs, Interest income ₹1.15 Lakhs and increase in Non-Current Assets ₹215.04 Lakhs.

### Financial year 2022-23

Our net cash used from investing activities was (₹1614.12) Lakhs for the financial year 2022-23. These were on account of Purchase of Property, Plant & Equipment of ₹111.80 Lakhs, increase in Non-Current Investments of ₹640.47 Lakhs, Interest income ₹6.5 Lakhs and decrease in Non-Current Assets ₹868.35 Lakhs.

### Financial year 2021-22

Our net cash used from investing activities was (₹822.17) Lakhs for the financial year 2021-22. These were on account of Purchase of Property, Plant & Equipment of ₹41.43 Lakhs, decrease in Non-Current Investments of ₹788.17 Lakhs, Interest income ₹6.20 Lakhs and Profit on sale of fixed assets ₹1.23 Lakhs.



### Financial year 2020-21

Our net cash used from investing activities was (₹516.97) Lakhs for the financial year 2020-21. These were on account of Purchase of Property, Plant & Equipment of ₹110.32Lakhs, Interest income ₹6.4 Lakhs, increase in non-current assets ₹404.70 Lakhs and Loss on sale of Fixed assets ₹8.35Lakhs.

### Financing Activities

#### For the period ending September 30, 2023

Net cash generated from financing activities for the period ended on September 30, 2023 was ₹968.99 Lakhs which was primarily on account of increase in Short-Term Borrowings of ₹720.96 lakhs, increase in Long-Term Borrowings of ₹441.09 Lakhs, and decrease in Finance Cost of ₹192.17 Lakhs & IPO related expenses ₹0.89 lakhs.

#### Financial year 2022-23

Net cash generated from financing activities for the financial year March 31, 2023 was ₹2036.37 Lakhs which was primarily on account of increase in share capital ₹910.04 Lakhs, increase in Short-Term Borrowings of ₹156.67 lakhs, increase in Long-Term Borrowings of ₹1207.68 Lakhs, decrease in Finance Cost of ₹233.02 Lakhs & IPO related expenses ₹5.00 lakhs.

#### Financial year 2021-22

Net cash generated from financing activities for the financial year March 31, 2022 was ₹221.54 Lakhs which was primarily on account of increase in Short-Term Borrowings of ₹151.65 Lakhs, increase in Long-Term Borrowings by ₹186.54 Lakhs & increase in Finance Cost of ₹116.65 Lakhs.

#### Financial year 2020-21

Net cash used in financing activities for the financial year March 31, 2021 was ₹328.77 Lakhs which was primarily on account of increase in Short-Term Borrowings of ₹273.52 Lakhs, increase in Long-Term Borrowings by ₹120.53 Lakhs & increase in Finance Cost of ₹65.28 Lakhs.

### Other Key Ratios

The table below summaries key ratios in our Restated Financial Statements for the period ended on September 30, 2023 and financial years ended on March 31, 2023, 2022 and 2021:

Particulars	For the period ended on	For the financial year ended on March 31,		
	September 30,2023	2023	2022	2021
Fixed Asset Turnover Ratio	7.49	13.31	6.90	5.36
Current Ratio	1.29	1.19	0.75	0.88
Debt Equity Ratio	1.35	1.10	2.11	2.10
Inventory Turnover Ratio	1.30	3.21	2.25	2.10

**Fixed Asset Turnover Ratio:** This is defined as revenue from operations divided by total fixed assets based on Financial Statements as Restated.

**Current Ratio:** This is defined as current assets divided by current liabilities, based on Financial Statements as Restated.

**Debt Equity Ratio:** This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturities of long-term debt, based on Financial Statements as Restated.

**Inventory Turnover Ratio:** This is defined as total turnover divided by average inventory based on Financial Statements as restated.

### Financial Indebtedness

As on September 30, 2023, the total outstanding borrowings of our Company is ₹3,853.15 Lakhs. For further details, refer to the chapter titled “*Statement of Financial Indebtedness*” beginning on page 155 of this Red Herring Prospectus.

(₹ in Lakh)



Particulars	As at September 30, 2023
Non-Convertible Debentures	139.97
Loans from Banks & Financial Institutions	3,359.70
Unsecured Loans from directors	353.48
<b>Total</b>	<b>3,853.15</b>

### Related Party Transactions

Related party transactions with our promoters, directors and their entities and relatives primarily relate to purchase and sale of products and services. For further information, please refer to the chapter titled “*Financial Statements as Restated*” on page 154 of this Red Herring Prospectus.

### Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

### Qualitative Disclosure about Market Risk

#### Financial Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

#### Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

#### Effect of Inflation

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

#### Credit Risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

### Reservations, Qualifications and Adverse Remarks

Except as disclosed in chapter titled “*Financial Statements as Restated*” beginning on page 154 of this Red Herring Prospectus, there have been no reservations, qualifications and adverse remarks.

Details of Default, if any, including therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution.

Except as disclosed in chapter titled “*Financial Statements as Restated*” beginning on page 154 of this Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company.

## FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS

### Unusual or infrequent events or transactions

There are no transactions or events, which in our best judgment, would be considered unusual or infrequent that have significantly affected operations of the Company.

**Significant economic changes that materially affected or are likely to affect income from continuing operations**

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

**Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as disclosed in the chapter titled "*Risk Factors*" beginning on page 31 of this Red Herring Prospectus to our knowledge, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**Future changes in relationship between costs and revenues in case of events such as future increase in labour or material cost or prices that will cause material change**

According to our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However, increase in the cost of the goods in which the Company deals, will affect the profitability of the Company. Further, the Company may not be able to pass on the increase in prices of the services to the customers in full and this can be offset through cost reduction.

**The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices**

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

**Total turnover of each major industry segment in which the Issuer Company operates**

Our Company is primarily engaged in the business of manufacturing of seating systems & work stations and has manufacturing facilities in India. The Company primarily caters to the Indian market.

Relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page 99 of this Red Herring Prospectus.

**Competitive Conditions**

We have competition with Indian and international manufacturing companies and our results of operations could be affected by competition in the manufacturing industry in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies/ entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled "*Risk Factors*" beginning on page 31 of this Red Herring Prospectus.

**Increase in income**

Increases in our income are due to the factors described above in in this chapter under "*Factors Affecting Our Results of Operations*" and chapter titled "*Risk Factors*" beginning on page 31 of this Red Herring Prospectus.

**Status of any Publicly Announced New Business Segments**

Except as disclosed elsewhere in the Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new business segments.

**STATEMENT OF FINANCIAL INDEBTEDNESS**

**Brief details on the financial indebtedness of the “TRANSTEEL SEATING TECHNOLOGIES LIMITED” as on September 30, 2023 is as under:**

**SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES**

Name of Fund	Date of Sanction	Purpose	Rate of Interest	Sanctioned Amount (₹ in Lakhs)	Repayment Period	Outstanding amount (₹ in Lakhs)
Series-C Debenture	August 24, 2022	Working Capital Requirement	16.50%	169.50	upon completion of 12 months from date of issue +5 days for reconciliation	48.74
Series-D Debenture	October 28, 2022	Working Capital Requirement	12.00%	225.00	upon completion of 12 months from date of issue +5 days for reconciliation	32.80
Series-E Debenture	January 25, 2023	Working Capital Requirement	12.50%	165.00	upon completion of 12 months from date of issue +5 days for reconciliation	58.44
						<b>139.97</b>

**SECURED LOANS FROM BANKS AND FINANCIAL INSTITUTIONS**

Name of Lender	Date of Sanction	Purpose	Rate of Interest	Sanctioned Amount (₹ in Lakhs)	Repayment Period	Outstanding amount (₹ in Lakhs)
HDFC Bank Limited	August 07, 2023	Working Capital Term Loan	9.00%	36.62	Repayable in 12 Equated Monthly Installments of ₹ 3,20,248 per month	30.74
HDFC Bank Limited	August 08, 2023	Working Capital Term Loan	9.00%	75.00	Repayable in 53 Equated Monthly Installments of ₹ 56,250 per month	75.00
HDFC Bank Limited	July 15, 2019	Vehicle Loan	9.35%	70.07	Repayable in 68 Equated Monthly Installments of ₹ 1,46,642 per month	23.98
HDFC Bank Limited	September 04, 2020	Vehicle Loan	10.00%	6.95	Repayable in 48 Equated Monthly Installments of ₹ 17,630 per month	5.72
ICICI Bank Limited	October 21, 2021	Vehicle Loan	9.75%	4.93	Repayable in 56 Equated Monthly Installments of ₹ 12,500 per month	1.58
HDFC Bank Limited	June 27, 2023	Cash Credit	10 % the spread will be modified based on 3 T-bill as on loan booking date	1,500.00	Repayable on demand	1,434.24
<b>Total</b>						<b>1,571.26</b>

**UNSECURED LOANS FROM BANKS AND FINANCIAL INSTITUTION**

Name of Lender	Date of Sanction	Nature	Rate of Interest	Sanctioned Amount (₹ in Lakhs)	Repayment Period	Outstanding amount (₹ in Lakhs)
HDFC Bank Limited	February 04, 2023	Used Car Refinance Loan	11.50%	50.00	Repayable in 36 Equated Monthly Installments of ₹ 1,64,880 per month	41.57
ICICI Bank Limited	September 08, 2021	Business Loan	14.00%	35.00	Repayable in 36 Equated Monthly Installments of ₹ 1,19,576 per month	13.32
Kotak Mahindra Bank Limited	May 28, 2022	Term Loan	16.90%	35.00	Repayable in 24 Equated Monthly Installments of ₹ 1,73,043 per month	12.80
Indusind Bank Limited	June 03, 2022	Term Loan	17.50%	35.00	Repayable in 36 Equated Monthly Installments of ₹ 1,25,657 per month	22.60
Yes Bank Limited	June 01, 2022	Business Loan	16.00%	40.00	Repayable in 36 Equated Monthly Installments of ₹ 1,40,628 per month	25.61
FedBank Financial Services Limited	May 25, 2022	Term Loan	18.00%	30.30	Repayable in 36 Equated Monthly Installments of ₹ 1,09,542 per month	19.61
Deutsche Bank Limited	June 08, 2022	Business Loan	18.00%	30.00	Repayable in 36 Equated Monthly Installments of ₹ 1,08,457 per month	19.28
Axis Bank Limited	March 17, 2023	Business Loan	17.50%	20.00	Repayable in 36 Equated Monthly Installments of ₹ 71,804 per month	17.24
IDFC First Bank Limited	May 30, 2023	Business Loan	16.00%	51.00	Repayable in 24 Equated Monthly Installments of ₹ 2,49,712 per month	45.48
HDFC Bank Limited	September 09, 2023	Business Loan	9.00%	3,00.00	Repayable in 60 Equated Monthly Installment of ₹ 6,22,751 per month	300.00
Riviera Investors Private Limited	April 29, 2022	Term Loan	19.00%	100.00	Repayable in 30 Equated Monthly Installments of ₹ 4,21,327 per month	52.42
Bajaj Finserv Limited	May 28, 2022	Business Loan	17.00%	31.45	Repayable in 36 Equated Monthly Installments of ₹ 1,12,113 per month	20.24
Unity Small Finance Bank Limited	May 23, 2022	Business Loan	19.00%	50.74	Repayable in 36 Equated Monthly Installments of ₹ 1,86,009 per month	33.01
Poonawalla Fincorp Limited	May 30, 2022	Business Loan	17.50%	25.49	Repayable in 36 Equated Monthly Installments of ₹ 91,506 per month	16.45

Name of Lender	Date of Sanction	Nature	Rate of Interest	Sanctioned Amount (₹ in Lakhs)	Repayment Period	Outstanding amount (₹ in Lakhs)
Clix Capital Services Private Limited	May 30, 2022	Business Loan	19.00%	40.25	Repayable in 36 Equated Monthly Installments of ₹ 1,47,542 per month	26.18
Urgo Capital Limited	June 30, 2023	Business Loan	19.50%	50.35	Repayable in 36 Equated Monthly Installments of ₹ 1,85,838 per month	48.28
Tata Capital Financial Services Limited	May 30, 2022	Business Loan	18.00%	25.25	Repayable in 36 Equated Monthly Installments of ₹ 91,285 per month	16.34
Hero Fincorp Limited	June 02, 2022	Business Loan	19.00%	10.12	Repayable in 36 Equated Monthly Installments of ₹ 37,096 per month	6.58
Hero Fincorp Limited	July 22, 2023	Business Loan	17.00%	32.38	Repayable in 36 Equated Monthly Installments of ₹ 1,15,435 per month	31.68
Aditya Birla Finance Limited	June 06, 2022	Business Loan	18.00%	20.00	Repayable in 36 Equated Monthly Installments of ₹ 72,305 per month	13.46
Ambit Finvest Private Limited	June 14, 2022	Business Loan	26.00%	25.00	Repayable in 36 Equated Monthly Installments of ₹ 1,36,168 per month	12.23
Ambit Finvest Private Limited	August 05, 2023	Working Capital Loan	22.00%	30.28	Repayable in 24 Equated Monthly Installments of ₹ 1,57,109 per month	28.23
Equentia Financial Service Private Limited	October 31, 2022	Business Loan	14.00%	60.00	Repayable in 12 months on demand	11.60
Incred Financial Services Limited	February 01, 2023	Business Loan	14.00%	50.00	Repayable in 12 Equated Monthly Installments of ₹ 4,08,164 per month	18.40
Kisetsu Saison Finance India Private Limited	February 23, 2023	Business Loan	19.00%	30.60	Repayable in 24 Equated Monthly Installments of ₹ 1,54,251 per month	24.00
Protium Finance Limited	February 20, 2023	Digital Micro Term Loan	18.50%	30.00	Repayable in 36 Equated Monthly Installments of ₹ 1,09,212 per month.	26.07
Inditrade Fincorp Limited	February 23, 2023	Business Loan	20.00%	20.00	Repayable in 30 Equated Monthly Installments of ₹ 85,260 per month	16.75
Neogrowth Fincorp Limited	February 24, 2023	Business Loan	24.75%	20.00	Repayable in 24 Equated Monthly Installments of ₹ 1,06,492 per month	15.88
Ashv Finance Limited	February 28, 2023	Business Loan	18.00%	35.00	Repayable in 36 Equated Monthly	30.41

Name of Lender	Date of Sanction	Nature	Rate of Interest	Sanctioned Amount (₹ in Lakhs)	Repayment Period	Outstanding amount (₹ in Lakhs)
					Installments of ₹ 1,26,534 per month	
Abans Finance Private Limited	December 07, 2022	Working Capital Loan	12.00%	1,000.00	Repayable in 12 months on demand	678.29
L&T Finance Limited	July 20, 2023	Term Loan	17.75%	35.00	Repayable in 36 Equated Monthly Installments of ₹ 125,157.00 per month	33.25
MAS Financial Services Limited	May 08, 2023	SME Loan	18.00%	75.00	Repayable in 36 Equated Monthly Installments of ₹ 2,71,143 per month	71.81
SBM Bank	March 29, 2023	Business Loan	19.00%	17.00	Repayable in 36 Equated Monthly Installments of ₹ 62,315 per month	15.17
Arka Fincap Limited	June 30, 2023	Working Capital Loan	18.50%	25.25	Repayable in 36 Equated Monthly Installments of ₹ 91,935 per month	24.18
<b>TOTAL</b>						<b>1,788.44</b>

#### UNSECURED LOANS FROM DIRECTORS AND RELATED PARTIES

Name of Lender	Outstanding amount (₹ in Lakhs)
Directors	353.48
<b>Total</b>	<b>353.48</b>

Please refer chapter titled “**Risk Factor**” beginning on Page 31 of this Red Herring Prospectus for risk associated with Unsecured Loans

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Our Company, our Promoters and our Directors are subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business. Except as stated in this section, there are no:

- (i) criminal proceedings;
- (ii) actions by statutory or regulatory authorities;
- (iii) disciplinary action including penalty imposed by SEBI or stock exchanges in the last five financial years including outstanding action;
- (iv) claims relating to direct and indirect taxes; and
- (v) Material Litigation (as defined below); involving our Company, Directors or Promoters.

Our Board of Directors, in its meeting held on May 18, 2023 determined that outstanding litigation involving our Company shall be considered material (“**Material Litigation**”) if:

- (i) the monetary amount of claim by or against the entity or person in any such pending matter exceed ₹ 10.00 Lakhs and
- (ii) the Board of Directors or any of its Committees shall have the power and authority to determine suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its Committees

Our Board of Directors, in its meeting held on May 18, 2023 determined that outstanding dues owed by the Company to the small-scale undertakings and other creditors, shall be considered material for the purpose of disclosure in Offer Document, if amount dues to any one of them exceeds ₹ 10.00 Lakhs of the Company’s trade payables for the last audited financial statements (“**Material Dues**”).

Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI (ICDR) Regulations have been disclosed on our website at [www.transteel.com](http://www.transteel.com).

Our Company, its Directors and its Promoters are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.

#### **A. LITIGATIONS INVOLVING OUR COMPANY**

##### **(I) Litigations filed against our Company**

- a. Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company:*

##### **Tax Proceedings**

The following tax proceedings are pending against the Company:

##### **(i) Direct Tax**

As per website of Income Tax, the following e-proceedings are shown as pending with “open” or “pending” status. However, the amount has not been mentioned and cannot be crystallized:

Assessment Year	Proceeding Name	Proceeding Status
<b>Transteel Seating Technologies Limited</b>		
2018-2019	Issue Letter*	Open
2018-2019	Issue Notice u/s 133#	Open
2018-2019	Issue Notice u/s 133#	Open



\*2018-2019 – Issue Letter:

The Income Tax Authorities served an Equalisation Levy Order to our Company bearing Order No. ITBA/COM/F/17/2020-21/1031827767(1) dated March 27, 2021. In respect of amount determined in the order as payable, this intimation order was considered as demand notice as per proviso to rule 7 of the Equalization Levy Rules, 2016 under Chapter VIII of the Finance Act, 2016. As on date the matter is currently pending adjudication and the net amount payable/refundable including interest is ₹ 0. As such the said proceeding is Open.

#2018-2019 – Issue Notice S. 133:

Our Company has received Order dated March 11, 2023 bearing No. ITBA/AST/S/133(6)/2022-23/1050639499(1) under section 133(6) of the Income Tax Act, 1961, which empowers the Income Tax Authority to call for the information which is considered relevant or necessary for the proceedings under the Income Tax Act, 1961. It was seen from the records available with Income Tax Authority, that during the financial year 2017-18, our Company had entered into transactions u/s 194J of the IT Act, 1961 with M/s. EPEOPLE BESPOKE Consulting Private Limited, Bangalore. The Issuer Company was requested to furnish the complete details along with supporting documents pertaining to the transaction made during the financial year 2017-18 towards fees for professional or technical services for the transactions with M/s. EPEOPLE BESPOKE Consulting Private Limited, Bangalore u/s 194J of the IT Act, 1961. The above-mentioned information was to furnished to this office by March 15, 2023 either by post or through an authorized representative. As on date the matter is currently pending adjudication and the amount involved in unascertainable. As such the said proceeding is Open.

**(ii) Income Tax:**

As per website of Income Tax Department for outstanding tax demand, following defaults in the payment of Income Tax by the Company are still outstanding:

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	No. of Defaults	Outstanding Demand (in Rupees)	Accrued Interest (in Rupees)
2022	143(1)(a)	202220223715162038 6C	February 21, 2023	(1)	6,210.00	496.00
<b>Total</b>					<b>6,210.00</b>	<b>496.00</b>

**(iii) Tax Deducted at Source (TDS)**

Sr. No	Financial Year	Total Default (in Lakh)
1.	2007-2008	2.60
2.	2009-2010	0.72
3.	2010-2011	0.00
4.	2019-2020	0.10
5.	2020-2021	0.23
6.	2021-2022	0.17
<b>Total</b>		<b>3.82</b>

**b. Matters involving issues of moral turpitude or criminal liability on the part of our Company.**

There are no issues of moral turpitude or criminal liability on part of the Company.

**c. Matters involving material violations of Statutory Regulations by our Company.**

There are no material violations of Statutory Regulations by the Company.

**d. Economic Offences where proceedings have been initiated against our Company.**

There are no matters involving economic offences where proceedings have been initiated against our Company.

**(II) Litigations filed by our Company.**

NIL

**B. LITIGATIONS INVOLVING OUR PROMOTERS**

**(I) Litigations filed against our Promoters**

- a. Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Promoters:*

**Tax Proceedings**

The following tax proceedings are pending against the Promoters:

**(i) Direct Tax**

As per website of Income Tax, the following e-proceedings are shown as pending with “open” or “pending” status. However, the amount has not been mentioned and cannot be crystallized:

NIL

**(ii) Income Tax:**

As per website of Income Tax Department for outstanding tax demand, following defaults in the payment of Income Tax by the Promoters are still outstanding:

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	No. of Defaults	Outstanding Demand (in Rupees)	Final Interest (in Rupees)
<b>Shiraz Mohamed Ibrahim</b>						
2010	143(1)(a)	2011201010075363260T	March 24, 2012	(1)	11,190.00	1,064.00
<b>Total</b>					<b>11,190.00</b>	<b>1,064.00</b>

- b. Matters involving issues of moral turpitude or criminal liability on the part of our Promoters.*

There are no issues of moral turpitude or criminal liability on part of our Promoters.

- c. Matters involving material violations of Statutory Regulations by our Promoters.*

There are no material violations of Statutory Regulations by our Promoters.

- d. Economic Offences where proceedings have been initiated against our Promoters.*

There are no matters involving economic offences where proceedings have been initiated against our Promoters.

**(II) Litigations filed by our Promoters.**

NIL

**C. LITIGATIONS INVOLVING OUR DIRECTORS (OTHER THAN PROMOTERS)**

**(I) Litigations filed against our Directors (other than Promoters)**

- a. Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Directors (other than Promoters):*

**Tax Proceeding**

The following tax proceedings are pending against Directors (other than Promoters):

**(i) Direct Tax**

As per website of Income Tax, the following e proceedings are shown as pending with ‘open’ status. However, the amount has not been mentioned and cannot be crystallized:

Assessment Year	Proceeding Name	Proceeding Status
<b>Karan Atul Bora</b>		
Not Available	Issue Letter	Open

#### For FY 2022-23

Mr. Karan Atul Bora has received a notice having No.: ITBA/COM/F/17/2022-23/1049737819(1) dated February 14, 2023 from Income Tax Department wherein as per the system (TRACES) data available with this office, for FY 2021-22, in case of M/s Markolines Pavement Technologies Limited(TAN: PNEM06679B), it was noted that there was late payment of TDS of Rs 1,78,37,012.00 on account of failure to deposit the tax deducted at source under various sections of TDS of the Income Tax Act, 1961 (hereinafter referred to as the Act) to the account of the Central Government within the time limit prescribed under Rule 30 of the Income-tax Rules, 1962. The said matter is currently open.

Assessment Year	Proceeding Name	Proceeding Status
<b>Mukesh Singh</b>		
2020-2021*	Issue Letter	Open
2023-2024**	Issue Letter	Open

#### FY 2020-21\*

Mr. Mukesh Singh has received a notice having No.: ITBA/COM/F/17/2019-20/1025871084(1) dated February 28, 2020 wherein a demand under section 156 of the Income tax Act, 1961 has been raised for payment of advance tax that a sum of ₹ 74,25,951.00 as specified, during the financial year 2019-20. The case status is Open.

#### FY 2023-24\*\*

Mr. Mukesh Singh has received Payment of Advance Tax Letter having No.: ITBA/COM/F/17/2022-23/1050675832(1) dated March 13, 2023 under section 208 of the Income tax Act, 1961 wherein Advance tax shall be payable during a financial year in every case where the amount of such tax payable by the assessee during the year, as computed in accordance with the provisions of Chapter XVIIC, is ₹ 10,000.00 (Rupees ten thousand) or more. Further, as per Sec. 210 every person who is liable to pay advance tax u/s 208 shall, of his own accord, pay on or before the each of the due dates. Mr. Singh has been asked to ascertain the income for current financial year and compute the income tax payable. The current status of the case is Open.

#### (ii) Income Tax:

As per website of Income Tax Department for outstanding tax demand, following defaults in the payment of Income Tax by the Directors (other than Promoters) are still outstanding:

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	No. of Defaults	Outstanding Demand (in Rupees)	Final Interest (in Rupees)
<b>Karan Atul Bora</b>						
2018	143(1)(a)	2019201837052426130T	October 16, 2019	(1)	0.00	500.00
<b>Total</b>					<b>0.00</b>	<b>500.00</b>

#### b. *Matters involving issues of moral turpitude or criminal liability on the part of our Directors (other than Promoters).*

There are no issues of moral turpitude or criminal liability on part of our Directors (other than Promoters).

#### c. *Matters involving material violations of Statutory Regulations by our Directors (other than Promoters).*

There are no material violations of Statutory Regulations by our Directors (other than Promoters).

#### d. *Economic Offences where proceedings have been initiated against our Directors (other than Promoters).*

There are no matters involving economic offences where proceedings have been initiated against our Directors (other than Promoters).

### OUTSTANDINGS DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES OR ANY OTHER CREDITORS

In accordance with our Company's materiality policy dated May 18, 2023, below are the details of the Creditors where there are outstanding amounts as on September 30, 2023:

Sr. No.	Particulars	Amount (₹ In Lakhs)
1.	Total Outstanding dues to Micro, Small & Medium Enterprises	NIL
2.	Total Outstanding dues to creditors other than Micro, Small & Medium Enterprises	1,416.39
<b>Total</b>		<b>1,416.39</b>

### MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as mentioned under the chapter - "*Management Discussion and Analysis of Financial Condition and Result of Operation*" on page 155 of this Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central Government and appropriate State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. It must, however, be distinctly understood that in granting the approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed on this behalf.*

*Following statements set out the details of licenses, permissions and approvals obtained by the Company under various Central and State legislations for carrying out its business activities.*

### I. APPROVALS FOR THE ISSUE

#### Corporate Approvals

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. Our Board of Directors have pursuant to a resolution passed at their meeting held on June 19, 2023, authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary.
- b. The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 62(1) (c) of the Companies Act, 2013 by Special Resolution in an Extra Ordinary General Meeting held on June 21, 2023.

#### Office

##### Registered Office:

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

##### Location of Factory

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

##### Branch Office:

1. No. A4, 1st Floor, Gems Court, 25, Khadar Nawas Khan Road, Nungambakkam, Chennai, Tamil Nadu, 600006
2. Shop no. 11, Gems Court at Old No. 14, New No. 25, Khader Nawaz Khan Road, Chennai- 600006
3. Flat No. 414/1, Opp. Metro Pillar No.123, Near Hanuman Mandir, MG Road, Ghitorni, South Delhi- 110030, Delhi
4. Flat No. 102, Ashoka Capital, Banjara Hills, Hyderabad- 500034, Telangana
5. A/002, Elegaza Crest, Bodak Dev Road, Ahmedabad-380054, Gujarat
6. Khasra No. 654, Talab Road, Village Ghitorni, Bakshi Farm Road, New Delhi-110030
7. Ground Floor, No.29-C, Lakshmi Industrial Estate, New Link Road, Andheri West, Mumbai, Maharashtra, 400053
8. 796/A2, Ground Floor, Kunal House, Bhandarkar Road, Opp. Kamala Nehru Park, Pune, Maharashtra, 411004
9. Ground Floor, First Floor and Second Floor, 47, Linden Street, Off Palm Grove Road, Austin Town, Bangalore-560047, India

#### Agreements with NSDL and CDSL

1. Tripartite agreement between the National Securities Depository Limited, our Company and the Registrar dated November 21, 2022

2. Tripartite agreement between the Central Depository Services (India) Limited, our Company and the Registrar November 25, 2022

### ISIN Number

The Company's International Securities Identification Number ("ISIN") is INEONVI01020.

### In-principle approval from the Stock Exchange

In-Principle approval letter dated September 11, 2023 from Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge") for the listing of equity shares issued by our Company pursuant to the Issue.

## II. APPROVALS OBTAINED BY OUR COMPANY

Sr. No.	Nature Of License/Approval	Registration/ License No.	Issuing Authority	Date Of Grant	Validity
1.	Certificate of Incorporation in the name of Transteel Seating Technologies Private Limited	No. 08/17137 of 1995	Registrar of Companies, Bangalore, Karnataka	February 08, 1995	One Time Registration
2.	Certificate of Incorporation in the name of Transteel Seating Technologies Limited, upon change of name from Transteel Seating Technologies Private Limited to Transteel Seating Technologies Limited pursuant to conversion from Private company to Public Company	U36109KA1995P LC017137	Registrar of Companies, Bangalore, Karnataka	April 19, 2023	One Time Registration
<b>Tax Related Approvals</b>					
3.	Permanent Account Number ("PAN")	AAACT7341N	Income Tax Department, Government of India	May 17, 2023	One Time Registration
4.	Tax Deduction Account Number ("TAN")	BLRT00911B	Income Tax Department, Government of India	May 22, 2023	One Time Registration
<b>Goods And Service Tax Registration</b>					
5.	*Certificate of Registration under the Central Goods and Service Tax Act, 2017 (Bangalore)	29AAACT7341N 1ZU	Central Board of Indirect Taxes and Customs	September 22, 2017	One Time Registration
6.	*Certificate of Registration under the Central Goods and Service Tax Act, 2017 (Mumbai)	27AAACT7341N 1ZY	Central Board of Indirect Taxes and Customs	February 15, 2023	One Time Registration
7.	*Certificate of Registration under the Central Goods and Service Tax Act, 2017 (Ahmedabad)	24AAACT7341N 1Z4	Central Board of Indirect Taxes and Customs	June 3, 2023	One Time Registration
8.	*Certificate of Registration under the Central Goods and Service Tax Act, 2017 (Chennai)	33AAACT7341N 1Z5	Central Board of Indirect Taxes and Customs	May 1, 2023	One Time Registration
9.	*Certificate of Registration under the Central Goods and Service Tax Act, 2017 (Delhi)	07AAACT7341N 1Z0	Central Board of Indirect Taxes and Customs	May 17, 2023	One Time Registration

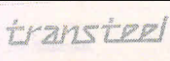
Sr. No.	Nature Of License/Approval	Registration/ License No.	Issuing Authority	Date Of Grant	Validity
10.	*Certificate of Registration under the Central Goods and Service Tax Act, 2017 (Hyderabad)	36AAACT7341N1ZZ	Central Board of Indirect Taxes and Customs	May 1, 2023	One Time Registration
<b>Certificate Of Registration Under State Tax On Profession, Trades, Calling And Employments Acts</b>					
11.	*Certificate of Registration under Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976	Registration No. – 304155801	Professional Tax Officer, 12 <sup>th</sup> Circle, Bangalore-22, Government of Karnataka	October 25, 2019	One Time Registration
12.	*Certificate of Enrolment issued under Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976	Enrolment No. – 1006205073	Professional Tax Officer, 12 <sup>th</sup> Circle, Bengaluru-22, Government of Karnataka	April 26, 2023	One Time Registration
<b>Business Related Approvals</b>					
13.	*Factory License	MYB-24346	Department of Factories, Boilers, Industrial Safety and Health, Government of Karnataka	January 1, 2022	December 31, 2024
14.	*Udyog Aadhaar	KR03A0053503	Ministry of Micro, Small and Medium Enterprises, government of India	April 28, 2018	One Time Registration
15.	*Udyam Registration under Micro, Small and Medium Enterprises Development Act, 2006	UDYAM-KR-03-0067755	Ministry of Micro, Small and Medium Enterprises, government of India	May 5, 2021	One Time Registration
16.	*Central Excise Registration Certificate	AAACT7341NX M003	Assistant Commissioner of Central Excise, Central Board of Indirect Taxes and Customs, Government of India	January 24, 2007	One Time Registration
17.	*Certificate of Importer-Exporter Code (IEC)	0701000538	Office of Jt. Director General of Foreign Trade, Ministry of Commerce and Industry	April 12, 2001	One Time Registration
18.	*Certificate of Registration under Section 69 of the Finance Act, 1994 (Service Tax Registration) – Transport of Goods by Road	Service Tax Code – AA ACT7341NST 001	Service Tax Commissionerate - Bangalore, Office of the Commissioner of Service Tax	August 07, 2008	One Time Registration
19.	*Certificate of Registration under Section 69 of the Finance Act, 1994 (Service Tax Registration) – Maintenance or Repair Services, Business Auxiliary Services	Service Tax Code – AA ACT7341NST 002	Service Tax Commissionerate - Bangalore, Office of the Commissioner of Service Tax	August 11, 2008	One Time Registration
20.	*Value Added Tax Registration Certificate under Karnataka Value Added tax Act, 2003	TIN - 29600076991	Asst. Commissioner of Comml. Taxes, Local VAT Office – 140, Government of Karnataka	April 01, 2005	One Time Registration
<b>Pollution Related Approvals</b>					
21.	*Consent for Establishment under Water (Prevention	Consent No. CTE-112377	Karnataka Pollution Control Board	January 27, 2020	December 31, 2025



Sr. No.	Nature Of License/Approval	Registration/ License No.	Issuing Authority	Date Of Grant	Validity
	and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981				
22.	*Consent for Operation under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981	Consent No. AW-117353	Karnataka Pollution Control Board	August 3, 2021	December 31, 2034
<b>Certificate Of Registration Under State Shops And Commercial Establishment Acts</b>					
23.	*Certificate of Registration under the Karnataka Shops and Commercial Establishment Act, 1961 for office located at: 47, Linden Street, Off Palm Grove Road, Austin Town, Bangalore- 560047.	Registration No. – 8/111/CE/6631/2011	Office of Senior Labor Inspector – 8 <sup>th</sup> Circle,	July 20, 2011	December 12, 2025
24.	Registration Certificate of Establishment under the Delhi Shops & Establishment Act, 1954 for office located at: No. 414/1 Opp. metro Pillar No.123 Ghitorni South Delhi - 110030	Certificate No.: 2023108858	Department of Labour Government of National Capital Territory of Delhi 5- Shamnath Marg, Delhi-110054	July 13, 2023	Valid till Cancelled
25.	Registration Certificate of Establishment for office located at: 102, 1st Floor, Ashoka Capital, Road No 2, Banjara Hills, Circle 10, Circle 10, Hyderabad	Registration No. SEA/HYD/ACL/A3/0664728/2023	Government of Telangana Labour Department	July 13, 2023	Valid till Cancelled
26.	Certificate of Shops & Establishment under the Maharashtra Shops & Establishment ( Regulation of Employment and Condition of Service) Act, 2017 for office located at: 29C, Shree Laxmi Jyot Society, Laxmi Industrial Estate, New Link Road, Andheri West, Mumbai-400053	890749354 / GN Ward / SHOP I	Office of the Chief Facilitator	July 14, 2023	Valid till Cancelled
27.	Certificate of Shops & Establishment under the Maharashtra Shops & Establishment ( Regulation of Employment and Condition of Service) Act, 2017 for office located at: Office at ground floor, Kunal House, No. 796/A2, Bhandarkar Road, Near Kamla Nehru Park, Deccan, Pune-411004	2331000317819615	Office of the Deputy Commissioner of Labour	July 13, 2023	Valid till Cancelled
28.	Certificate of Shops & Establishment under the Gujarat Shops and	III/GRDW/4000986/0002292	Amdavad Municipal Corporation	July 12, 2023	Valid till Cancelled

Sr. No.	Nature Of License/Approval	Registration/ License No.	Issuing Authority	Date Of Grant	Validity
	Establishments (Regulation of Employment and Conditions of Service) Act, 2019 for office located at: Elegaza Crest, A 02, Sindhubhavan Marg, nr. Sigma House, Bodakdev, Ahmedabad, Gujarat-380059.				
<b>Labour Related Approvals</b>					
29.	*Registration under Employees' State Insurance Act, 1948	Code No. 53-13253-92	Regional Office (Karnataka), Employees' State Insurance Corporation	July 18, 1995	One Time Registration
30.	*Registration under Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Code No. KN/23157	Office of the Regional Provident Fund Commissioner (Karnataka)	December 8, 1997	One Time Registration
31.	Certificate under the Tamil Nadu Industrial Establishments (National, Festival and Special Holidays) Act, 1958	TN/AIL31CHE/N FSH/68-23-00433	Government of Tamil Nadu, Labour Department	July 14, 2023	Valid until cancelled
32.	The Tamilnadu Industrial Establishments (National, Festival and Special Holidays) Act, 1958, FORM No. III of Shop No. 11, Gems Court at Old No. 14, New No. 25, Khader Nawaz Khan Road, Chennai- 600006.	TN/AIL31CHE/N FSH/68-23-00451	Government of Tamil Nadu Labour Department	July 14, 2023	Valid till Cancelled
33.	The Tamilnadu Industrial Establishments (National, Festival and Special Holidays) Act, 1958, FORM No. III of No. A4, 1st Floor, Gems Court", 25 Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006.	TN/AIL31CHE/N FSH/68-23-00452	Government of Tamil Nadu Labour Department	August 05, 2023	Valid till Cancelled
*The above-mentioned approvals are in the previous name of the Company i.e., Transteel Seating Technologies Private Limited. The Company is in the process of name change from Transteel Seating Technologies Private Limited to Transteel Seating Technologies Limited in all its approvals.					

### III. APPROVALS OBTAINED/APPLIED IN RELATION TO INTELLECTUAL PROPERTY RIGHTS:

Sr. No.	Word/ Label/ Mark/Design	Application No./Design No.	Class	Registration/Application date	Status/ Validity
1.		Trademark No. 1256840	20	December 22, 2003	Registered
*The above-mentioned approvals are in the previous name of the Company i.e., Transteel Seating Technologies Private Limited. The Company is in the process of name change from Transteel Seating Technologies Private Limited to Transteel Seating Technologies Limited in all its approvals.					

**IV. THE DETAILS OF DOMAIN NAME REGISTERED ON THE NAME OF THE COMPANY:**

Sr. No.	Domain Name and ID	IANA ID	Creation Date	Expiry Date
1.	<b>Domain name –</b> TRANSTEEL.COM  <b>Domain ID –</b> 87707179_DOMAIN_COM-VRSN	48	June 20, 2002	June 20, 2024

**V. PENDING APPROVALS**

NIL

*“In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals required by the Company and no approval is pending in respect of any such application made with any of the authorities except that for change of name of the Company pursuant to change of its constitution from Private Limited to Public Limited.”*

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **AUTHORITY FOR THE ISSUE**

The Board of Directors, pursuant to a resolution passed at their meeting held on June 19, 2023, authorized the Offer, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extraordinary General Meeting held on June 21, 2023, authorized the Issue. Further, Our Board of Directors have taken on record the approval for the Offer for Sale by the Selling Shareholder pursuant to a resolution dated October 18, 2023.

The Offer for Sale was authorised by the Selling Shareholder as follows:

<b>Selling Shareholder</b>	<b>Offered Shares</b>	<b>Date of authorisation letter/ Board Resolution</b>	<b>Date of consent letter</b>
Ms. Nasreen Shiraz	3,56,000*	October 18, 2023	October 18, 2023

*\*Subject to the finalisation of basis of allotment*

The Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution dated June 22, 2023

The Red Herring Prospectus has been approved by our Board pursuant to a resolution dated October 21, 2023

### **In-principle Approval:**

Our Company has obtained In-Principle approval from the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) for using its name in the Offer Documents pursuant to an approval letter dated September 11, 2023 from Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) is the Designated Stock Exchange.

### **PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES**

We confirm that our Company, the selling shareholder, Promoters, Promoter Group and Directors have not been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, the selling shareholder, Promoters, Promoter Group or Directors have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

- Neither our Company, nor the selling shareholder, nor Promoters, nor Promoter Group, nor any of our Directors or persons in control of our Company are / were associated as promoters, directors or persons in control of any other Company which is debarred from accessing or operating in the capital markets under any order or directions made by the SEBI or any other regulatory or Governmental Authorities.
- None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as Promoters or Director.
- Neither our Promoters, nor the selling shareholder, nor Promoter Group, nor any of our Directors is declared as Fugitive Economic Offender.
- Neither our Company, nor the selling shareholder, nor our Promoters, nor Promoter Group nor our Directors, are Wilful Defaulters or fraudulent borrowers.

### **PROHIBITION BY RBI**

Neither our Company, nor Promoters, nor Promoter Group, nor any of our Directors or the person(s) in control of our Company have been identified as a wilful defaulter or fraudulent borrowers by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 176 of this Red Herring Prospectus.

Neither our Company, our Promoters, our Directors, Group companies, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

#### **COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018**

Our Company is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended (“**SBO Rules**”) to the extent applicable. Our Company, the selling shareholder and members of the Promoter Group are in compliance with the SBO Rules to the extent applicable to each of them as on the date of this Red Herring Prospectus.

#### **DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET**

None of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “*Outstanding Litigations and Material Developments*” beginning on page 176 respectively, of this Red Herring Prospectus.

#### **ELIGIBILITY FOR THE ISSUE**

Our Company is an “*unlisted issuer*” in terms of the SEBI (ICDR) Regulations, 2018 and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations, 2018.

Our Company is eligible in terms of Regulation 228, 229(2) and 230 of SEBI (ICDR) Regulations, 2018 and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018, Our Company is eligible for the Issue in accordance with Regulation 229(2) of the SEBI (ICDR) Regulations, 2018 and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018, as we are an Issuer whose post issue paid up capital shall not be more than ₹25.00 Crores and we may hence, Issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”).

#### **We confirm that:**

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this Issue is 100% underwritten and that the Book Running Lead Managers to the Issue shall underwrite minimum 15% of the total issue size. For further details pertaining to said underwriting please refer to chapter titled “*General Information-Underwriting*” beginning on page 51 of this Red Herring Prospectus.

In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, 2018, we hereby confirm that we will enter into an agreement with the Book Running Lead Managers and a Market Makers to ensure compulsory Market Making for a minimum period of three years from the date of listing of Equity Shares in this Issue on the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”). For further details of the arrangement of market making please refer to chapter titled “*General Information*” beginning on page 51 and details of the Market Making Arrangements for this please refer to chapter titled “*The Issue*” beginning on page 49 of this Red Herring Prospectus.

In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed Allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight working days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight working days, be liable to repay such application money, with an interest at the rate as prescribed under SEBI (ICDR) Regulations 2018, the Companies Act, 2013 and applicable laws. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and / or imprisonment in such a case.

In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Managers submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus.

In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.

In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer’s promoters or directors is a fugitive economic offender.

In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to Emerge Platform of National Stock Exchange of India Limited (NSE Emerge). NSE Emerge is the Designated Stock Exchange.

In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.

In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid-up.

In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialised form.

As per Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, our Company satisfies track record and / or other eligibility conditions of Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations as below:

1. Our Company was incorporated on February 08, 1995 with the Registrar of Companies, Karnataka, Bangalore, under the Companies Act, 1956 in India.
2. Our Company is engaged in the business of manufacturing Office and Home Furniture.
3. The Paid-up Capital of the Company is ₹1,339.45 Lakh comprising 1,33,94,510 Equity shares.
4. The Post Issue Paid up Capital (Face Value) of the company will be upto ₹ 2,017.85\* Lakh comprising Upto 2,01,78,510\* Equity Shares. So, the company has fulfilled the criteria of Post Issue Paid up Capital shall be more than Ten Crore Rupees and upto Twenty-Five Crore Rupees.  
\*Assuming full subscription
5. The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for atleast 3 financial years preceding the application and its net-worth for the period ended on September 30, 2023 is positive:

(₹ in Lakhs)

Particulars	For the period ended on	For financial year ended on		
	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Networth <sup>(1)</sup>	2,860.86	2,444.11	629.71	470.63
Operating Profit <sup>(2)</sup>	807.35	1,543.53	388.07	137.22

<sup>(1)</sup> Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

<sup>(2)</sup> Operating profit” means the profit before finance costs, other income and tax expenses

6. Our Company has facilitated trading in demat securities and has entered into an agreement with both the depositories. Our Company has entered into an agreement with Central Depository Services Limited (CDSL) dated November 25, 2022 and National Securities Depository Limited (NSDL) dated November 21, 2022 for dematerialization of its Equity Shares already issued and proposed to be issued.
7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
9. None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.
10. There is no winding up petition against the Company, which has been admitted by a court of competent jurisdiction or liquidator has not been appointed.
11. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
12. There has been no change in the promoter(s) of the Company in the one year preceding the date of filing application to NSE for listing on Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”).
13. The Company has a website [www.transteel.com](http://www.transteel.com)



We further confirm that we shall be complying with all other requirements as laid down for such Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

We further confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”).

#### **COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS, 2018**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI (ICDR) Regulations, 2018. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations, 2018, with respect to the Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGERS, GRETEX CORPORATE SERVICES LIMITED AND PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGERS, GRETEX CORPORATE SERVICES LIMITED AND PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 21, 2023. THE FILING OF THIS RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34, SECTION 35, SECTION 36 AND SECTION 38 (1) OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENTS/ OFFER DOCUMENTS.**

#### **Note:**

The filing of this Red Herring Prospectus does not, however, absolve our Company from any liabilities under sections 34, 35 and 36(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers any irregularities or lapses in this Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Bangalore in terms of Section 26, 28 & 32 of the Companies Act, 2013.

#### **DISCLAIMER STATEMENT FROM OUR COMPANY, THE SELLING SHAREHOLDER AND THE BOOK RUNNING LEAD MANAGERS**

Our Company, its Directors and the BRLMs accept no responsibility for statements made otherwise than those contained in this Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company’s instance anyone placing reliance on any other source of information, including our website, www.transteel.com would be doing so at his or her own risk.

The Selling Shareholder, and their respective directors, affiliates, associates and officers accept or undertake no responsibility for any statements other than those specifically undertaken or confirmed by the Selling Shareholder in relation to itself and its Offered Shares and in this Red Herring Prospectus or in the advertisements or any other material issued in connection with the Offer.



The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement. All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere. The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, and our affiliates or associates, for which they have received and may in future receive compensation.

Bidders were required to confirm and have been deemed to have represented to our Company, the Selling Shareholder, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they were eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

#### **CAUTION**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS**

For details regarding the price information and track record of the past issue handled by M/s. Gretex Corporate Services Limited and Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer Annexure A to this Red Herring Prospectus and the website of the Book Running Lead Managers at [www.gretexcorporate.com](http://www.gretexcorporate.com) and [www.pantomathgroup.com](http://www.pantomathgroup.com).

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, AIFs state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. The Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Mumbai, Maharashtra only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed at Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) for its observations and NSE will give its observations in due course. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither

the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Red Herring Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE EMERGE”)**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/2454 dated September 11, 2023, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be Issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be Issued and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **FILING**

The Red Herring Prospectus is being filed with Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) Exchange Plaza, C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India. The Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018.

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus/ Prospectus, along with the material contracts and documents referred elsewhere in the Prospectus, will be delivered for filing to the Registrar of Companies, E Wing, 2nd Floor, Kendriya Sadan, Kormangala, Bengaluru-560034, Karnataka, India.

## LISTING

An Application have been made to Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”)for obtaining permission for listing of the Equity Shares being offered and sold in the issue on its Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) after the allotment in the Issue. Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge Platform of National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Offer Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 working days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations. The Selling Shareholder shall be, severally and not jointly, liable to refund money raised in the Offer, only to the extent of its respective Offered Shares, together with any interest on such amount as per Applicable Laws. No liability to make any payment of interest shall accrue to the Selling Shareholder unless any delay in making any of the payments hereunder or any delay in obtaining listing or trading approvals in relation to the Offer is solely attributable to the relevant Selling Shareholder. All refunds made, interest borne, and expenses incurred (with regard to payment of refunds) by the Company on behalf of any of the Selling Shareholder will be adjusted or reimbursed by such Selling Shareholder to the Company as agreed among the Company and the Selling Shareholder in writing, in accordance with Applicable Laws.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Offer Closing Date.

The Company has obtained approval from National Stock Exchange of India Limited vide letter dated September 11, 2023 to use the name of NSE in this issue document for listing of equity shares on Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”).

## IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of Section 38(1) of the Companies Act, 2013 which is reproduced below:

*Any person who-*

- *Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- *Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable to action under Section 447 of the Companies, Act 2013.*

## CONSENTS

Consents in writing of the Selling Shareholder, the Directors, Promoters, Company Secretary, Chief Financial Officer, Peer Review and Statutory Auditor, Book Running Lead Managers, Market Maker to the Issuer, Underwriters to the Issue, Banker to the Issue, Legal Advisor to the Issue, Banker to the Company, Monitoring Agency, Registrar to the Issue, Share Escrow Agent and Syndicate Member to act in their respective capacities shall be obtained as required as required under Section 26, 28 & 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the ROC. Our Statutory Auditor holding Peer Reviewed Certificate has given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Prospectus for filing with the ROC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, M/s. Gupta Agarwal and Associates, Peer Review Auditor and Statutory Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on “*Statement of Possible Tax Benefits*” relating to the possible tax benefits and restated financial statements as included in this Red Herring Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Red Herring Prospectus.

## **EXPERT TO THE ISSUE**

Except as stated below, our Company has not obtained any expert opinions:

- Report of the Statement of Possible of Tax Benefits.
- Report of the Auditor on the Restated Financial Statements of our Company for the period ended on September 30, 2023 and financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021 of our Company dated October 19, 2023.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act

## **EXPENSES TO THE ISSUE**

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter “*Objects of the Issue*” beginning on page 81 of this Red Herring Prospectus.

## **DETAILS OF FEES PAYABLE**

### **Fees Payable to the Book Running Lead Managers**

The total fees payable to the Book Running Lead Managers will be as per the Mandate Letter issued by our Company to the Book Running Lead Managers, the copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated June 22, 2023 a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, and stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post / speed post / under certificate of posting.

### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters if any.

## **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

The underwriting commission and the selling commission for the Issue are as set out in the Underwriting Agreement amongst the Company and Underwriters. The underwriting commission shall be paid as set out in the Underwriting Agreement based on the Issue price and the amount underwritten in the manner mentioned in accordance with Section 40 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rule, 2013.

## **PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION**

We have not made any previous rights and / or public issues since incorporation and are an “*Unlisted Issuer*” in terms of the SEBI (ICDR) Regulations, 2018 and this Issue is an “*Initial Public Offering*” in terms of the SEBI (ICDR) Regulations, 2018.

## **CAPITAL ISSUES IN THE LAST THREE (3) YEARS BY LISTED GROUP COMPANIES / SUBSIDIARY / ASSOCIATES**

None of our Group Company / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years. We do not have any subsidiary as on date of this Red Herring Prospectus.

## PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled “*Capital Structure*” beginning on page 68 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the Initial Public Offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

## PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1B) OF THE COMPANIES ACT, 1956 / SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS.

None of the equity shares of Companies under same management are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years.

## PROMISE VERSUS PERFORMANCE FOR OUR COMPANY

Our Company is an “*Unlisted Issuer*” in terms of the SEBI (ICDR) Regulations, 2018, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, 2018. Therefore, data regarding promise versus performance is not applicable to us.

## LISTED SUBSIDIARY / PROMOTER

We do not have any listed Subsidiary or Promoter Company as on date of this Red Herring Prospectus.

## OPTION TO SUBSCRIBE

- a) Investors will get the allotment of specified securities in dematerialization form only.
- b) The equity shares, on allotment, shall be traded on stock exchange in Demat segment only

## OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

Our company has issued debentures and the details of the debentures are mentioned in the chapter “*Statement of Financial Indebtedness*” on page no 155.

## OUTSTANDING CONVERTIBLE INSTRUMENTS:

Our Company does not have any outstanding convertible instruments as on the date of filing this Red Herring Prospectus.

## PARTLY PAID-UP SHARES

As on the date of this Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company

## STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “*Unlisted Issuer*” in terms of the SEBI (ICDR) Regulations, 2018, and this Issue is an “*Initial Public Offering*” in terms of the SEBI (ICDR) Regulations, 2018. Thus, there is no stock market data available for the Equity Shares of our Company.

## MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and Our Company and the selling shareholder provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.



All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company has appointed Bigshare Services Private Limited as the Registrar to the Issue to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on May 30, 2023. For further details, please refer to the chapter titled "**Our Management**" beginning on page 127 of this Red Herring Prospectus.

Our Company has appointed Mr. Abhishek Lohia as Company Secretary and Compliance Officer and he may be contacted at the following address:

#### **Company Secretary and Compliance Officer**

**Mr. Abhishek Lohia**

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

**Tel:** +91 80953 46346

**Email:** cs@transteel.com

**Website:** www.transteel.com

The Selling Shareholder have severally and not jointly authorized the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to deal with, on its behalf, any investor grievances received in the Offer in relation to its respective portion of the Offered Shares and provided such assistance as required by our Company and the Book Running Lead Managers in this regard.

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any Pre-Issue or Post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, etc.

#### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Red Herring Prospectus.

#### **Disposal of Investor Grievances by Listed Companies under the same Management**

None of our Group Companies / Associates / Subsidiary are listed on any Stock Exchange as on the date of filing this Red Herring Prospectus.

#### **CAPITALISATION OF RESERVES OR PROFITS**

Save and except as stated in the chapter titled "**Capital Structure**" beginning on page 68 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits during the last five years.

## **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

## **TAX IMPLICATIONS**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "*Statement of Possible Tax Benefits*" beginning on page 90 of this Red Herring Prospectus.

## **PURCHASE OF PROPERTY**

Other than as disclosed in this Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus.

Except as stated elsewhere in this Red Herring Prospectus, our Company has not purchased any property in which the Promoter and / or Directors have any direct or indirect interest in any payment made there under.

## **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

## **PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation. Except as disclosed under sections titled "*Our Management*" and "*Related Party Transactions*" beginning on pages 127 and 152 respectively of this Red Herring Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

## **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.



## SECTION VII: ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government Of India, the Stock Exchange, the RoC, the RBI and/ or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the Government Of India, the Stock Exchange, the RoC and/ or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applicants with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

### THE OFFER

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholder.

Expenses for the Offer shall be shared amongst our Company and the Selling Shareholder in the manner specified in “*Objects of the Offer*” on page 81 of this Red Herring Prospectus

### AUTHORITY FOR THE PRESENT ISSUE

This Public Issue has been authorized by a resolution of our Board of Directors passed at their meeting held on June 19, 2023 subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the General Meeting. The shareholders have authorized the Issue by a Special Resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of our Company held on June 21, 2023.

### RANKING OF EQUITY SHARES

The Equity Shares being issued shall be subject to the provisions of the Companies Act, and our MoA and AoA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividends and other corporate benefits, if any, declared by us after the date of Allotment. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company

after the date of Allotment. For further details, please refer to section titled, '*Main Provisions of Article of Association*', beginning on page 244 of this Red Herring Prospectus.

#### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, Article of Association, the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 any other rules, regulations or guidelines as may be issued by Government of India in connection there to and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, in cash as per the provisions of the Companies Act and our Articles of Association. For further details in relation to dividends, please refer to sections titled, '*Dividend Policy*' and '*Main Provisions of Article of Association*', beginning on page 153 and 244 respectively, of this Red Herring Prospectus.

#### **FACE VALUE AND ISSUE PRICE**

The face value of each Equity Share is ₹10.00 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share ("Floor Price") and at the higher end of the Price Band is ₹ [●] per Equity Share ("Cap Price"). The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company and Selling Shareholder in consultation with the BRLMS, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in English Edition of Financial Express (A Widely Circulated English National Daily Newspaper) and Hindi Edition of Jansatta (A Widely Circulated Hindi National Daily Newspaper), and Bangalore Edition of Udaykala Karnataka, A Kannada Regional Newspaper (Kannada being the Regional Language of Bangalore where our Registered Office is Located) where the registered office of the company is situated and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Offer Price shall be determined by our Company and Selling Shareholder and in consultation with the BRLMS, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

The Issue Price is determined by our Company in consultation with the Book Running Lead Managers and is justified under the Section titled, '*Basis for Issue Price*', beginning on page 90 of this Red Herring Prospectus.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **COMPLIANCE WITH ICDR REGULATIONS**

Our Company shall comply with all requirements of the ICDR Regulations, as amended time to time.

#### **COMPLIANCE WITH DISCLOSURE AND ACCOUNTING NORMS**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the AoA, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive annual reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act, 2013;
- Right to receive Issue for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, as may be applicable, terms of the Listing Regulations and the MoA and AoA of our Company.

For further details on the main provision of our Company's AoA dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, etc., please refer to Section titled, '*Main Provisions of the Articles of Association*', beginning on page 244 of this Red Herring Prospectus.

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the existing ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form for all Applicants. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated November 21, 2022 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated November 25, 2022 between CDSL, our Company and Registrar to the Issue.

The ISIN no of the company is INE0NVI01020

#### **MARKET LOT AND TRADING LOT**

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants. Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakhs per application.

#### **MINIMUM NUMBER OF ALLOTTEES**

In accordance with the Regulation 268 of ICDR Regulations, the minimum number of Allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective Allottees is less than 50, no Allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 Working Days of closure of Issue.

#### **JOINT HOLDERS**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

#### **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 of the Companies Act, 2013, the First / Sole Applicant, along with other joint Applicant, may nominate any one person in whom, in the event of the death of Sole Applicant or in case of joint Applicant, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board of Directors, elect either:

- to register himself or herself as the holder of the Equity Shares; or

- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the Applicants require changing the nomination, they are requested to inform their respective Depository Participant.

## WITHDRAWAL OF THE ISSUE

In accordance with the SEBI (ICDR) Regulations, our Company, in consultation with BRLMS, reserves the right not to proceed with this issue at any time after the Issue Opening Date, but before our Board meeting for Allotment without assigning reasons thereof.

If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the BRLMS, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification.

In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Offer Document with the Stock Exchange where the Equity Shares may be proposed to be listed. If our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, withdraw the Offer at any stage, including after the Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh Red Herring Prospectus with the Stock Exchange.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final Listing and Trading Approval of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non-Retail Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

## ISSUE PROGRAM

<b>Bid/Issue Opens on</b>	Monday, October 30, 2023
<b>Bid/Issue Closes on</b>	Wednesday, November 01, 2023
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or Before Monday, November 06, 2023
<b>Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account*</b>	On or Before Tuesday, November 07, 2023
<b>Credit of Equity Shares to Demat accounts of Allottees</b>	On or Before Wednesday, November 08, 2023
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	On or Before Thursday, November 09, 2023

*Note <sup>1</sup>Our Company in consultation with the Book Running Lead Managers, may 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 in accordance with the SEBI ICDR Regulations*

*<sup>2</sup>Our Company in consultation with the BRLMs, 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.*

\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled / withdrawn / deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation / withdrawal / deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total

cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted / partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue BRLM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

The above timetable is indicative and does not constitute any obligation on our Company, the selling shareholder or the Book Running Lead Managers. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid / Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid / Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid-Cum-Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidders on Bid/ Issue Closing Date maybe extended in consultation with the BRLMs, RTA and Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”)taking into account the total number of applications received up to the closure of timings.

On the Bid/ Issue Closing Date, the Bids shall be uploaded until:

(i) 4.00 P.M. IST in case of Bids by QIBs and Non-Institutional Bidders,

and

(ii) until 5.00 P.M. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/Issue Closing Date, Applicants are advised to submit their applications 1(one) day prior to the Issue Closing Date and, in any case, not later than 3:00 p.m. (IST) on the Bid/Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Applicants are cautioned that, in the event a large number of Bid-Cum-Application Forms are received on the Issue Closing Date, as is typically experienced in public issue, some Bid-Cum-Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum-Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Bid-Cum-Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Book Running Lead Managers are liable for any failure in uploading the Bid-Cum-Application Forms due to faults in any software / hardware system or otherwise.



In accordance with ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application Amount) at any stage. Retail Individual Investors can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Investors, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

#### **MINIMUM SUBSCRIPTION**

In accordance with Regulation 260 (1) of ICDR Regulations, this Issue is 100% underwritten, so this Issue is not restricted to any minimum subscription level .

As per section 39 of the new Companies Act, if the “stated minimum amount” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of Red Herring Prospectus, the Application Amount has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Offer document including devolvement of Underwriters, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act, 2013 and applicable law.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through this Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1.00 Lakhs (Rupees One Lakhs) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261 (5) of the ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”).

## **APPLICATION BY ELIGIBLE NRIS, FPIS / FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI AND ELIGIBLE QFIS**

It is to be understood that there is no reservation for Eligible NRIs or FPIs / FIIs registered with SEBI or VCFs or Eligible QFIs. Such Eligible NRIs, Eligible QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of allocation.

NRIs, FPIs / FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public issue without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and / or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

## **AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE.**

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No. 20/2000-RB dated May 03, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for Equity Share allocation.

## **RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the pre-issue Equity Shares and Promoters minimum contribution in the Issue as detailed in the Section titled, ‘*Capital Structure*’, beginning on page 68 of this Red Herring Prospectus, and except as provided in the AoA of our Company, there are no restrictions on transfer and transmission and on their consolidation / splitting of Equity Shares. For further details, please refer to the Section titled, ‘*Main Provisions of the Articles of Association*’, beginning on page 244 of this Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Managers are not liable to inform the Applicants of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

## **NEW FINANCIAL INSTRUMENTS**

As on the date of this Red Herring Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue.



## ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM

In accordance with the ICDR Regulations, Allotment of Equity Shares to successful Applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

## MIGRATION TO MAIN BOARD

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board of NSE from the NSE EMERGE on a later date subject to the following:

*If the Paid up Capital of our Company is likely to increase above ₹2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to National Stock Exchange of India Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

*If the Paid up Capital of our company is more than ₹1,000 lakhs but below ₹2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

## MARKET MAKING

The shares issued through this Offer are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (SME Exchange) with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on EMERGE Platform of National Stock Exchange of India Limited. For further details of the market making arrangement please refer to Section titled, '**General Information - Details of the Market Making Arrangements for this Issue**', beginning on page 51 of this Red Herring Prospectus.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Bangalore, Karnataka, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be Issued or sold within the United States to, or for the account or benefit of "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being Issued or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those Issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our Company's post issue face value capital is more than ten crore rupees and upto twenty-five crore rupees. Our Company shall issue equity shares to the public and propose to list the same on the Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge"). For further details regarding the salient features and terms of such this issue, please refer to chapter titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on page 198 and 210 respectively of this Red Herring Prospectus.

### Following is the offer structure:

The Offer is being made through the Book Building Process. The Offer comprises 71,40,000\* Equity Shares, at an Offer Price of ₹ [●] per Equity Share for cash, including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] lakhs, comprising of 67,84,000\* Equity Shares aggregating up to ₹ [●] lakh through Fresh Issue by our Company and an Offer for Sale of 3,56,000\* Equity Shares by the Selling Shareholder aggregating up to ₹ [●] lakh.

The Issue comprises a reservation of upto 7,14,000\* Equity Shares of face value of ₹10.00 each fully paid for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs for subscription by the designated Market Maker (Market Maker Reservation Portion) and a Net Issue to Public of upto 64,26,000\* Equity Shares of face value of ₹ 10.00 each fully paid for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs (the Net Issue). The Issue and the Net Issue will constitute 35.38 % and 31.85 % respectively of the Post Issue Paid-up Equity Share Capital of the Company.

\* Subject to finalization of the Basis of Allotment

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	Upto 7,14,000 EquityShares	Not more than 32,10,000 EquityShares	Not less than 9,66,000 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 22,50,000 EquityShares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
<b>Percentage of Issue Size available for allocation</b>	10.00 % of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not less than 15% of the Issue less allocation to QIB Bidders and RIBs will be available for allocation.	Not less than 35% of the Issue less allocation to QIBs and Non-Institutional Bidders will be available for allocation
<b>Basis of Allotment <sup>(3)</sup></b>	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion):  (a) Up to [●] Equity Shares shall be available for allocation on a	Allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of EquityShares in the Non-	Allotment to each Retail Individual Bidder shall not be less than the maximum

		<p>proportionate basis to Mutual Funds only; and Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation (b) Price</p>	<p>Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For details, see “<i>Issue Procedure</i>” beginning on page 210 of this Red Herring Prospectus.</p>	<p>Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on proportionate basis. For details, see “<i>Issue Procedure</i>” beginning on page 210 of this Red Herring Prospectus.</p>
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.			
<b>Minimum Bid Size</b>	Upto 7,14,000 Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
<b>Maximum Bid Size</b>	Upto 7,14,000 Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
<b>Mode of Bid</b>	Only through the ASBA process.		Only through the ASBA process	Through ASBA Process Through Banks or by using UPI ID for payment

*This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.*

*(1) Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.*

(2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.

(3) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

The Bids by FPIs with certain structures as described under “**Issue Procedure - Bids by FPIs**” on page 210 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

*Note: Applicants will be required to confirm and will be deemed to have represented to our Company, the selling shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

## WITHDRAWAL OF THE ISSUE

In accordance with the SEBI (ICDR) Regulations, our Company in consultation with Book Running Lead Managers, reserves the right not to proceed with this issue at any time after the Issue Opening Date, but before our Board meeting for Allotment without assigning reasons thereof.

If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Managers, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification.

In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Offer Document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final Listing and Trading Approval of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non-Retail Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

## JURISDICTION

Exclusive jurisdiction for the purpose of this issue is with the competent courts / authorities at Bangalore, Karnataka.

## ISSUE PROGRAMME

<b>Issue Opening Date</b>	Monday, October 30, 2023
<b>Issue Closing Date</b>	Wednesday, November 01, 2023

*Our Company in consultation with the Book Running Lead Managers, may 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 in accordance with the SEBI ICDR Regulations.*

Applications and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period at the Application Centers mentioned in the Bid-Cum- Application Form.

Standardization of cut-off time for uploading of applications on the Bid/ Issue Closing Date:

- a) A standard cut-off time of 3.00 P.M. for acceptance of applications.
- b) A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 P.M. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to NSE within half an hour of such closure.

It is clarified that Bids not uploaded would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular bidder, the details as per physical Bid-Cum-application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

## ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

Additionally, all Bidders may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for Bidders applying through ASBA process and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid Cum Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Bid Cum Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI

Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

Please note that the information stated / covered in this section may not be complete and / or accurate and as such would be subject to modification / change. Our Company, the selling shareholder and Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Managers would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Red Herring Prospectus.

Further, our Company, the selling shareholder and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

This section applies to all the Bidders, please note that all the Bidders are required to make payment of the Full Application Amount along with the Bid Cum Application Form.



## PHASED IMPLEMENTATION OF UPI FOR BIDS BY RETAIL INDIVIDUAL BIDDERS AS PER THE UPI CIRCULAR

SEBI has issued circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 and circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six working days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six working days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three working days.

Pursuant to the SEBI UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the SEBI UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked not later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors’ complaints in this regard, the relevant SCSB as well as the post – issue BRLMs will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI payment mechanism.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make an application as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders applying in public Offers where the application amount is up to ₹ 500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- a syndicate member
- a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)



- a depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- a registrar to the issue and shares transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

For further details, refer to the General Information Document to be available on the website of the Stock Exchange and the BRLM’s.

## **BOOK BUILDING PROCEDURE**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process.

The allocation to the public will be made as per Regulation 253 of SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Accordingly, we have allocated the Net Issue i.e., not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders and not more than 50% of the Net Issue shall be allocated on a proportionate basis to QIBs.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

***Bidders should note that the Equity Shares will be allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID and PAN and UPI ID (for RIBs using the UPI Mechanism), shall be treated as incomplete and will be rejected. Eligible Employees Bidding in the Employee Reservation Portion Bidding using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.***

***Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021.***

## **BID CUM APPLICATION FORM**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the Book Running Lead Managers, the Designated Intermediaries, and the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All ASBA Bidders must provide either (i) the bank account details and authorization to block funds in the ASBA Form, or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected.

UPI Bidders Bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. Applications made by the UPI Bidder using third party bank account or using third party linked bank account UPI ID are liable for rejection. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, Bidders shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid cum Application Forms) and Bid cum Application Forms not bearing such specified stamp may be liable for rejection.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSBs or sponsor banks, as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked including details as prescribed in Annexure II of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form*
Anchor Investors <sup>1</sup>	Grey
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis <sup>^</sup>	White
Non-Residents including FPIs, Eligible NRIs, FVCIs and registered bilateral and multilateral institutions applying on a repatriation basis <sup>^</sup>	Blue

\*Excluding electronic Bid cum Application Form

<sup>^</sup>Electronic Bid cum Application Form and the abridge prospectus will be made available for download on the website of the stock exchange (www.nseindia.com )

<sup>1</sup> Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMS

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit / deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – “Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
4.	A depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.

The Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid / Offer Closing Date (“Cut-Off Time”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut- off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid / Offer Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank and the Bankers to the Offer. The BRLMs shall also be required to obtain the audit trail from the Sponsor Bank and the Bankers to the Offer for analysing the same and fixing liability.

Stock exchange shall allow modification of selected fields viz. DP ID / Client ID or Pan ID (Either DP ID / Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

#### **AVAILABILITY OF RED HERRING PROSPECTUS AND BID CUM APPLICATION FORMS**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid / Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLMs.

## WHO CAN BID?

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- Foreign Venture Capital Investors registered with the SEBI;
- Trusts / societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- Scientific and / or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Multilateral and bilateral development financial institution;
- Eligible QFIs;

- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India;
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

- Minors (except through their Guardians)
- Partnership firms or their nominations
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed 2,00,000.00. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed 2,00,000.00.

##### **2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000.00 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000.00 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company, the selling shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **METHOD OF BIDDING PROCESS**

Our Company in consultation with the BRLMs will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in English Edition of Financial Express (A Widely Circulated English National Daily Newspaper) and Hindi Edition of Jansatta (A Widely Circulated Hindi National Daily Newspaper), and Bangalore Edition of Udaykala Karnataka, A Kannada Regional Newspaper (Kannada being the Regional Language of Bangalore where our Registered Office is Located) where the registered office of the company is situated, each with wide circulation at



least two Working Days prior to the Bid / Issue Opening Date. The BRLMs and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid / Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid / Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in English Edition of Financial Express (A Widely Circulated English National Daily Newspaper) and Hindi Edition of Jansatta (A Widely Circulated Hindi National Daily Newspaper), and Bangalore Edition of Udaykala Karnataka, A Kannada Regional Newspaper (Kannada being the Regional Language of Bangalore where our Registered Office is Located) where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Managers.
- b) During the Bid / Issue Period, Retail Individual Bidders, should approach the BRLMs or their authorized agents to register their Bids. The BRLMs shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid / Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLMs (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder / Applicant at or above the Issue Price will be considered for allocation / Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLMs or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “**Buildup of the Book and Revision of Bids**”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLMs / the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- f) The BRLMs shall accept the Bids from the Anchor Investors during the Anchor Investor Bid / Issue Period i.e., one working day prior to the Bid / Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “**Issue Procedure**” beginning on page 210 of this Red Herring Prospectus.
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal / failure of the Issue or until withdrawal / rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to

the Public Issue Account. In case of withdrawal / failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLMs, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid / Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e., the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLMs, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque / demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e) The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

#### **PARTICIPATION BY ASSOCIATES / AFFILIATES OF BRLMS AND THE SYNDICATE MEMBERS:**

The BRLMs and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

#### **OPTION TO SUBSCRIBE IN THE ISSUE:**

- a) As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in Demat segment only.
- c) A single application from any investor shall not exceed the investment limit / minimum number of Equity Shares that can be held by him / her / it under the relevant regulations / statutory guidelines and applicable law.

#### **INFORMATION FOR THE BIDDERS:**

1. Our Company and the Book Running Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Managers, the Registrar to the Issue, and at the Registered Office



of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.

4. Any Bidder who would like to obtain the Red Herring Prospectus and / or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and / or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his / her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLMs, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1) (ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. Failing this, our company and the Selling Shareholder in consultation with BRLMs reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLMs.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 200.00 lakhs.
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid / Issue Opening Date and be completed on the same day.

5. Our Company in consultation with the BRLMs, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to ₹ 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹ 200.00 Lakhs but upto ₹ 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹ 2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹ 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor.
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid / Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid / Issue Opening Date, through intimation to the Stock Exchange.
7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid / Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
10. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
11. The BRLMs, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLMs) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and made available as part of the records of the BRLMs for inspection by SEBI.
12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
13. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS BY ELIGIBLE NRI'S:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLMs and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour). Failing this, our company and the Selling Shareholder in consultation with BRLMs reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

## **BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Failing this, our company and the Selling Shareholder in consultation with BRLMs reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under

the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

## **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF

under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company, the selling shareholder or the BRLMs will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency .

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation. Failing this, our company and the Selling Shareholder in consultation with BRLMs reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY HUFs:**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals. Failing this, our company and the Selling Shareholder in consultation with BRLMs reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our company and the Selling Shareholder in consultation with BRLMs reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES:**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time. Failing this, our company and the Selling Shareholder in consultation with BRLMs reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our company and the Selling Shareholder in consultation with BRLMs reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

## **BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our company and the Selling Shareholder in consultation with BRLMs reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- Equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- The industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

## **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and / or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form.
- e) Our Company in consultation with the BRLMs in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

The Company and the selling shareholder in consultation with BRLMs, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that the Company and the BRLMs may deem fit.

The Company and the selling shareholder in consultation with BRLMs, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Offer that, for the purpose of printing particulars on the refund order and mailing of the Bid cum Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Offer shall use Demographic Details as given on the Bid cum Application Form instead of those obtained from the Depositories.



*The above information is given for the benefit of the Bidders. The Company, the selling shareholder and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

*The bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchange does not match with the PAN, DP ID and Client ID available in the database of Depositories, the bid cum application form is liable to be rejected.*

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹25.00 Crore (subject to applicable law) and pension funds with minimum corpus of ₹25.00 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, Failing this, our company and the Selling Shareholder in consultation with BRLMs reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSB'S:**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLMs or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) BIDDERS**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Managers are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date

of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

## **TERMS OF PAYMENT**

The entire Issue price of ₹[●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

## **PAYMENT MECHANISM**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal / failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

## **PAYMENT INTO ESCROW ACCOUNT FOR ANCHOR INVESTORS**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Managers, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a) In case of resident Anchor Investors: — “Escrow Account Transteel Seating Technologies Limited Anchor Investor – R”
- b) In case of Non-Resident Anchor Investors: — “Escrow Account Transteel Seating Technologies Limited Anchor Investor – NR”
- c) Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

## **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.



2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Managers nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to;
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Managers on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sr. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields.*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
  - Name of the Bidder;
  - IPO Name:
  - Bid Cum Application Form Number;

- Investor Category PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
  9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
  10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
  11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
  12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and / or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
  13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid / Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
  14. The SCSBs shall be given one day after the Bid / Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
  15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **BUILD OF THE BOOK**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid / Issue Period.

- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid / Issue Period.

#### WITHDRAWAL OF BIDS

- a) RIIs can withdraw their Bids until Bid / Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid / Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### PRICE DISCOVERY AND ALLOCATION

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLMs, shall finalise the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLMs, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above this Issue Price and cut-off

Bids are valid Bids and are considered for allocation in the respective categories.

## **SIGNING OF UNDERWRITING AGREEMENT AND REGISTERING OF RED HERRING PROSPECTUS / PROSPECTUS WITH ROC**

Our company, the selling shareholder, BRLMs and Underwriters has entered into an Underwriting Agreement dated October 18, 2023. After signing the Underwriting Agreement, the Company will file the Red Herring Prospectus with the RoC. The Prospectus has details of the Offer Price, Offer Price, Offer Size and underwriting arrangements and is complete in all material respects.

## **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid / Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICDR Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

## **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

## **GENERAL INSTRUCTIONS:**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid / Issue period and withdraw their Bids until Bid / Issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

### **Do's:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only.
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed ₹ 2,00,000.00 (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Other instructions for the Bidders Joint Bids**

**Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form / Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears

in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

### **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

### **Investor Grievance**

In case of any pre-issue or post issue related problems regarding demat credit / refund orders / unblocking etc. the Investors can contact the Compliance Officer of our Company.

### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

### **Submission of Bids**

- a) During the Bid / Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

### **GROUND OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form / Application Form does not tally with the amount payable for the value of the Equity Shares Bid / Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;



- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest / money order / postal order / cash / cheque / demand draft / pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid / Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant 's identity (DP ID) and the beneficiary 's account numbers.
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act.
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form / Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form / Application Form. Bids not duly signed by the sole / First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.

- Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- In case of under subscription in the issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

## **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **BASIS OF ALLOTMENT**

#### a) For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

#### b) For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

#### c) For QIBs

For the Basis of Allotment to Anchor Investors, Bidders / Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

##### a) In the first instance allocation to Mutual Funds for [●] % of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds [●] % of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●] % of the QIB Portion.

- In the event that the aggregate demand from Mutual Funds is less than [●] % of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●] % of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
  - Under-subscription below [●] % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**d) ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLMs, subject to compliance with the following requirements:
- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
- a maximum number of two Anchor Investors for allocation up to ₹2 crores;
  - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹2 crores and up to ₹25 crores subject to minimum allotment of ₹1 crores per such Anchor Investor; and
  - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

- d) In the event the Issue Price is lower than the Anchor Investor Allocation Price:

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

- e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:

In the event of the Issue Being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000.00 Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

#### **Issuance of Allotment Advice:**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

The Book Running Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

3. Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment / or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid / Issue Closing Date.

The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

### **Instructions for Completing the Bid Cum Application Form:**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e., [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e., [www.nseindia.com](http://www.nseindia.com)

### **Bidder's Depository Account and Bank Details:**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form:**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications:**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay:**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”) where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and / or imprisonment in such a case.

**Right to Reject Applications:**

In case of QIB Bidders, the Company in consultation with the BRLMs may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

**Impersonation:**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who—

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

**Undertakings by Our Company:**

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter ‘s contribution in full has already been brought in;
6. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;



7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid / Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid / Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Issue after the Bid / Issue Closing Date, our Company shall be required to file a fresh Red Herring Prospectus with the Stock exchange / RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

### **Undertakings by the Selling Shareholder**

The Selling Shareholder undertakes the following in respect of itself and its respective portion of the Offered Shares:

1. that its portion of the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation of the SEBI ICDR Regulations and are in dematerialised form;
2. that it is the legal and beneficial owner of, and has clear and marketable title to, its portion of the Offered Shares;
3. it shall not offer, lend, pledge, transfer or otherwise encumber, sell, dispose of any of its portion of the Offered Shares being offered pursuant to the Offer until such time that the lock-in (if applicable) remains effective save and except as may be permitted under the SEBI ICDR Regulations.
4. that it shall provide all reasonable co-operation as requested by our Company to the extent of the Offered Shares of each Selling Shareholder in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and completion of the necessary formalities for listing and commencement of trading of its portion of the Offered Shares on the Stock Exchange and refund orders to the extent of its portion of the Offered Shares;
5. that it shall not have recourse to the proceeds of the Offer for Sale of its portion of the Offered Shares which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchange; and
6. that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to its portion of the Offered Shares.

### **Utilization of Issue Proceeds:**

The Board of Directors of our Company certifies that:

1. All monies received out of the Issue shall be credited / transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
2. Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.



6. The Book Running Lead Managers undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

**Equity Shares in Dematerialized Form with NSDL or CDSL:**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite Agreement dated November 21, 2022 between NSDL, our Company and Registrar to the Issue; and
- b) Tripartite Agreement dated November 25, 2022 between CDSL, our Company and Registrar to the Issue.
- c) The Company's equity shares bear an International Securities Identification Number INE0NVI01020.

The Selling Shareholder, severally and not jointly, and together with our Company declare that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“RBI”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”).

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2) / 2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the “FDI Policy”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015, as updated from time to time by RBI and Master Direction – Foreign Investment in India (updated up to March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Section 4 of the FDI Policy 2020 has to be obtained. The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that

- (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations;
- (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and
- (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction / purview,

such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### **INVESTMENT CONDITIONS / RESTRICTIONS FOR OVERSEAS ENTITIES:**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI / OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management. (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral / statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and / or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral / statutory cap.

#### **INVESTMENT BY FPIS UNDER PORTFOLIO INVESTMENT SCHEME (PIS):**

With regards to purchase / sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24% may be increased up to sectoral cap / statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **INVESTMENT BY NRI OR OCI ON REPATRIATION BASIS:**

The purchase / sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

#### **INVESTMENT BY NRI OR OCI ON NON-REPATRIATION BASIS:**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase / sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-

repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

**Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.**

**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Red Herring Prospectus.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Applicants. Our Company, the selling shareholder and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.**

**SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

**THE COMPANIES ACT 2013  
(Incorporated under Companies Act, 1956)**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION\***

**OF**

**TRANSTEEL SEATING TECHNOLOGIES LIMITED  
(Formerly known as Transteel Seating Technologies Private Limited)**

Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

<b>1.</b>	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F Applicable.</b>
	Interpretation Clause	
<b>2.</b>	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) <b>“The Act”</b> means the Companies Act, 2013 and includes any statutory modification or re- enactment thereof for the time being in force.	<b>Act</b>
	(b) <b>“These Articles”</b> means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) <b>“Auditors”</b> means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) <b>“Capital”</b> means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) <b>“The Company”</b> shall mean <b>‘Transteel Seating Technologies Limited’</b>	
	(f) <b>“Executor”</b> or <b>“Administrator”</b> means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	<b>Executor or Administrator</b>
	(g) <b>“Legal Representative”</b> means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
	(h) Words importing the masculine gender also include the feminine gender.	<b>Gender</b>

**\*1. In the extra ordinary General Meeting of shareholder held on May 20, 2023, special resolution has been passed for adoption of new set of Article of association which is applicable to Public Company as per Company Act, 2013. Earlier set of Articles of Association appended after these new set of Article of Association.**

	(i) <b>“In Writing”</b> and <b>“Written”</b> includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	(j) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
	(k) <b>“Meeting”</b> or <b>“General Meeting”</b> means a meeting of members.	<b>Meeting or General Meeting</b>
	(l) <b>“Month”</b> means a calendar month.	<b>Month</b>
	(m) <b>“Annual General Meeting”</b> means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>

	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(q) "Office" means the registered Office for the time being of the Company.	<b>Office</b>
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	<b>Register of Members</b>
	(v) "Seal" means the common seal for the time being of the Company.	<b>Seal</b>
	(w) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
	(y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(z) "Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>
	(aa) "Year" means the "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall bear the samemeanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	
<b>3.</b>	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
<b>4.</b>	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the timeof issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares maybe issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity withSection 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>
<b>5.</b>	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shallbe subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
<b>6.</b>	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non-Voting Shares</b>
<b>7.</b>	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
<b>8.</b>	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	<b>Voting rights of preference shares</b>



<p><b>9.</b></p>	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions-shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be affected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	<p><b>Provisions to apply on issue of Redeemable Preference Shares</b></p>
<p><b>10.</b></p>	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<p><b>Reduction of capital</b></p>
<p><b>11.</b></p>	<p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p>	<p><b>Debentures</b></p>
<p><b>12.</b></p>	<p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p>	<p><b>Issue of Sweat Equity Shares</b></p>
<p><b>13.</b></p>	<p>The Company may issue shares to Employees including its directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.</p>	<p><b>ESOP</b></p>
<p><b>14.</b></p>	<p>Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.</p>	<p><b>Buy Back of shares</b></p>
<p><b>15.</b></p>	<p>Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.</p>	<p><b>Consolidation, Sub-Division and Cancellation</b></p>
<p><b>16.</b></p>	<p>Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.</p>	<p><b>Issue of Depository Receipts</b></p>



17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	<b>Issue of Securities</b>
<b>MODIFICATION OF CLASS RIGHTS</b>		
18.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three- fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	<b>Modification of rights</b>
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking paripassu therewith.	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>
19.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	<b>Shares at the disposal of the Directors.</b>
20.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	<b>Power to issue shares on preferential basis.</b>
21.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>
22.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
23.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Directors may allot shares as full paid-up</b>
24.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc. to be a debt payable immediately.</b>

25.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>		
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act.	
<b>CERTIFICATES</b>		
28.	<p>(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose. When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is —" Issued in lieu of Share Certificate No..... sub-divided/replaced/on consolidation of Shares".</p>	<b>Share Certificates.</b>
29.	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for	<b>Issue of new certificates in place of those defaced, lost or destroyed.</b>

	issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.	
30.	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations. (b) The Company shall not be bound to register more than three persons as the joint holders of any share.	<b>The first named joint holder deemed Sole holder.</b>  <b>Maximum number of joint holders.</b>
31.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	<b>Company not bound to recognise any interest in share other than that of registered holders.</b>
32.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	<b>Installment on shares to be duly paid.</b>
<b>UNDERWRITING AND BROKERAGE</b>		
33.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	<b>Commission</b>
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
<b>CALLS</b>		
35.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.	<b>Directors may make calls</b>
36.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
37.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
39.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to	<b>Directors may extend time.</b>

	such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	
40.	If a sum called in respect of the shares is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest upon the sum at such rate not exceeding 12% per annum or at such lower rate, if any, as the Board may determine, but the Board of Directors shall be at liberty to waive payment of that interest wholly or in part.	<b>Calls to carry interest.</b>
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Sums deemed to be calls.</b>
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	<b>Proof on trial of suit for money due on shares.</b>
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
44.	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits. (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.	<b>Payments in Anticipation of calls may carry interest</b>
	<b>LIEN</b>	
45.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause. Provided that the fully paid shares shall be free from all lien, while in the case of partly paid shares, the company's lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such shares.	<b>Company to have Lien on shares.</b>



46.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificate in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	<b>As to enforcing lien by sale.</b>
47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	<b>Application of proceeds of sale.</b>
<b>FORFEITURE AND SURRENDER OF SHARES</b>		
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	<b>If call or installment not paid, notice may be given.</b>
49.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	<b>Terms of notice.</b>
50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	<b>On default of payment, shares to be forfeited.</b>
51.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	<b>Notice of forfeiture to a Member</b>
52.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and maybe sold etc.</b>
53.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
54.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other	<b>Effect of forfeiture.</b>

	rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	
55.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	<b>Evidence of Forfeiture.</b>
56.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>
57.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	<b>Cancellation of share certificate in respect of forfeited shares.</b>
58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
59.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	<b>Validity of sale</b>
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
<b>TRANSFER AND TRANSMISSION OF SHARES</b>		
61.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	<b>Execution of the instrument of shares.</b>
62.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. Provided that the company shall use a common form of transfer.	<b>Transfer Form.</b>
63.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	<b>Transfer not to be registered except on production of instrument of transfer.</b>

64.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;	<b>Directors may refuse to register transfer.</b>
65.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	<b>Notice of refusal to be given to transferor and transferee.</b>
66.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	<b>No fee on transfer.</b>
67.	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	<b>Closure of Register of Members or debenture holder or other security holders.</b>
68.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	<b>Application for transfer of partly-paid shares.</b>
70.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	<b>Notice to transferee.</b>
71.	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<b>Recognition of legal representative.</b>
72.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a	<b>Titles of Shares of deceased Member</b>



	deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.	
73.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>Notice of application when to be given</b>
74.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	<b>Registration of persons entitled to share otherwise than by transfer. (Transmission clause).</b>
75.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
77.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>
78.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
79.	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
	<b>NOMINATION</b>	
80.	<p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	<b>Nomination</b>

81.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <ul style="list-style-type: none"> <li>(i) to be registered himself as holder of the security, as the case may be; or</li> <li>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</li> <li>(iii) if the nominee elects to be registered as holder of the security, himself, as the case maybe, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</li> <li>(iv) a nominee shall be entitled to the same dividends and other advantages to which he wouldbe entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of itto exercise any right conferred by membership in relation to meetings of the Company.</li> </ul> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	<b>Transmission of Securities by nominee</b>
<b>DEMATERIALIZATION OF SHARES</b>		
82.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	<b>Dematerialisation of Securities</b>
<b>JOINT HOLDER</b>		
83.	Where two or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following andother provisions contained in these Articles.	<b>Joint Holders</b>
84.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respectof all calls and other payments which ought to be made in respect of such share.	<b>Joint and several liabilities for all payments in respect of shares.</b>
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	<b>Title of survivors.</b>
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share orto receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices tofirst named holders.</b>
<b>SHARE WARRANTS</b>		
85.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticatedby such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	<b>Power to issue share warrants</b>
86.	<ul style="list-style-type: none"> <li>(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</li> <li>(b) Not more than one person shall be recognized as depositor of the Share warrant. The Company shall, on two day's written notice, return the deposited share warrant to thedepositor.</li> </ul>	<b>Deposit of share warrants</b>

87.	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.	<b>Privileges and disabilities of the holders of share warrant</b>
88.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>Issue of new share warrant coupons</b>
<b>CONVERSION OF SHARES INTO STOCK</b>		
89.	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	<b>Conversion of shares into stock or reconversion.</b>
90.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	<b>Transfer of stock.</b>
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stock holders.</b>
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.	<b>Regulations.</b>
<b>BORROWING POWERS</b>		
93.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, anybody corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	<b>Power to borrow.</b>
94.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	<b>Issue of discount etc. or with special privileges.</b>
95.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>

96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
97.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
98.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>
<b>MEETINGS OF MEMBERS</b>		
99.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
100.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra- Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>
101.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice.</b>
102.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
103.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
104.	a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	<b>Chairman with his consent may adjourn meeting.</b>
105.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>

106.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
107.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll not to prevent transaction of other business.</b>
	<b>VOTES OF MEMBERS</b>	
108.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	<b>Members in arrears not to vote.</b>
109.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	<b>Number of votes each member entitled.</b>
110.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>
111.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	<b>Vote of member of unsound mind and of minor</b>
112.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>
113.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
114.	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joint holders thereof. b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	<b>Votes of joint members.</b>
115.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	<b>Votes may be given by proxy or by representative</b>
116.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>



117.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	<b>Members paying money in advance.</b>
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	<b>Members not prohibited if share not held for any specified period.</b>
118.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members.</b>
119.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands.</b>
120.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	<b>Appointment of a Proxy.</b>
121.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
122.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding death of a member.</b>
123.	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	<b>Time for objections to votes.</b>
124.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
	<b>DIRECTORS</b>	
125.	(a) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution (b) <b>Followings are the first directors of the company:</b> 1. <b>SHIRAZ.M. IBRAHIM</b> 2. <b>AMBAR. A. RAO</b>	<b>Number of Directors</b>
126.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification Shares.</b>
127.	(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s	<b>Nominee Directors.</b>



	<p>so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	
128.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>Appointment of alternate Director.</b>
129.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	<b>Additional Director</b>
130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Directors power to fill casual vacancies.</b>
131.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
132.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business.</b>
	<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>	
133.	<p>(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.</p> <p>(b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	<b>Meetings of Directors.</b>
134.	<p>a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within Fifteen minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.</p> <p>b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p>	<b>Chairperson</b>
135.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board meeting how decided.</b>
136.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>

137.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<b>Directors may appoint committee.</b>
138.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	<b>Committee Meeting show to be governed.</b>
139.	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	<b>Chairperson of Committee Meetings</b>
140.	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	<b>Meetings of the Committee</b>
141.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>
<b>RETIREMENT AND ROTATION OF DIRECTORS</b>		
142.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	<b>Power to fill casual vacancy</b>
<b>POWERS OF THE BOARD</b>		
143.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However, no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	<b>Powers of the Board</b>
144.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	<b>To acquire any property, rights etc.</b>
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	<b>To take on Lease.</b>

	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	<b>To erect &amp; construct.</b>
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	<b>To pay for property.</b>
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>To insure properties of the Company.</b>
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	<b>To open Bank accounts.</b>
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	<b>To secure contracts by way of mortgage.</b>
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares.</b>
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	<b>To appoint trustees for the Company.</b>
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings.</b>
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	<b>To give Security by way of indemnity.</b>
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers.</b>

	<p>(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.</p>	<p><b>Commission or share in profits.</b></p>
	<p>(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.</p>	<p><b>Bonus etc. to employees.</b></p>
	<p>(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.</p>	<p><b>Transfer to Reserve Funds.</b></p>
	<p>(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p>	<p><b>To appoint and remove officers and other employees.</b></p>
	<p>(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.</p>	<p><b>To appoint Attorneys.</b></p>
	<p>(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.</p>	<p><b>To enter into contracts.</b></p>

	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	<b>To make rules.</b>
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	<b>To effect contracts etc.</b>
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	<b>To apply &amp; obtain concessions licenses etc.</b>
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	<b>To pay commissions or interest.</b>
	(26) To redeem preference shares.	<b>To redeem preference shares.</b>
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>To assist charitable or benevolent institutions.</b>
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
	(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how. (32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products. (33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient. (34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate. (35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested. (36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or	



	<p>conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	<b>MANAGING AND WHOLE-TIME DIRECTORS</b>	
145.	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re- appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	<b>Powers to appoint Managing/ Whole-time Directors.</b>
146.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	<b>Remuneration of Managing or Whole-time Director.</b>
147.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	<b>Powers and duties of Managing Director or Whole-time Director.</b>
	<b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER</b>	



148.	<p>a) Subject to the provisions of the Act, —</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>	<p><b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b></p>
<b>THE SEAL</b>		
149.	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	<p><b>The seal, its custody and use.</b></p>
150.	<p>The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.</p>	<p><b>Deeds how executed.</b></p>
<b>DIVIDEND AND RESERVES</b>		
151.	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	<p><b>Division of profits.</b></p>
152.	<p>The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.</p>	<p><b>The company in General Meeting may declare Dividends.</b></p>
153.	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<p><b>Transfer to reserves</b></p>
154.	<p>Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.</p>	<p><b>Interim Dividend.</b></p>
155.	<p>The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.</p>	<p><b>Debts may be deducted.</b></p>

156.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
157.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>
158.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles.</b>
159.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>
160.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
161.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
162.	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	<b>Dividends how remitted.</b>
163.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	<b>Notice of dividend.</b>
164.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>
<b>CAPITALIZATION</b>		
165.	(1) The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards: (i) paying up any amounts for the time being unpaid on any shares held by such members respectively; (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii). (3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares. (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.	<b>Capitalization.</b>
166.	(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall — (a) make all appropriations and applications of the undivided profits resolved to	<b>Fractional Certificates.</b>

	<p>be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally, to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	
167.	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	<b>Inspection of Minutes Books of General Meetings.</b>
168.	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	<b>Inspection of Accounts</b>
	<b>FOREIGN REGISTER</b>	
169.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	<b>Foreign Register.</b>
	<b>DOCUMENTS AND SERVICE OF NOTICES</b>	
170.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	<b>Signing of documents &amp; notices to be served or given.</b>
171.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	<b>Authentication of documents and proceedings.</b>
	<b>WINDING UP</b>	

172.	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	
	<b>INDEMNITY</b>	
173.	<p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p>	<b>Directors' and others right to indemnity.</b>
174.	<p>Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.</p>	<b>Not responsible for acts of others</b>
	<b>SECRECY</b>	
175.	<p>(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p>	<b>Secrecy</b>
	<p>(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.</p>	<b>Access to property information etc.</b>

## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the Registrar of Companies for filing and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company situated at No. 28, 4th Main, Industrial Suburb, Yeshwanthpur, Bangalore- 560022, Karnataka, India and this will also be available at the website of our Company accessed at [www.transteel.com](http://www.transteel.com) from date of filing the Prospectus with RoC on working days, from 10.00 a.m. to 5.00 p.m. until the Offer Closing Date

#### A. Material Contracts

1. Offer Agreement dated June 22, 2023 between our Company, the selling shareholder and the Book Running Lead Managers.
2. Registrar to the Issue Agreement dated June 22, 2023 between our Company, the selling shareholder and the Registrar to the Issue.
3. Underwriting Agreement dated October 18, 2023 between our Company, the selling shareholder, the Book Running Lead Managers, and Underwriters.
4. Market Making Agreement dated October 18, 2023 between our Company, the selling shareholder, Book Running Lead Managers, and Market Maker.
5. Share Escrow Agreement dated October 18, 2023 between our Company, the selling shareholder, and the Share Escrow Agent
6. Banker to the Issue Agreement dated October 18, 2023 between our Company, the selling shareholder, the Book Running Lead Managers, Banker to the Issue / Sponsor Bank, the Registrar to the Issue and Registrar to the Issue.
7. Syndicate Agreement dated October 18, 2023 among our Company, the Selling Shareholder, the Book Running Lead Managers, the Registrar to the Issue and Syndicate Member.
8. Monitoring Agency Agreement dated October 21, 2023 among our Company and the Monitoring Agency
9. Tripartite agreement between the National Securities Depository Limited, our Company and the Registrar dated November 21, 2022
10. Tripartite agreement between the Central Depository Services (India) Limited, our Company and the Registrar November 25, 2022

#### B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of Incorporation dated February 08, 1995 issued by Registrar of Companies, Karnataka Bangalore.
3. Fresh Certificate of Incorporation dated April 19, 2023 issued by Registrar of Companies, Bangalore consequent to conversion to Public Limited Company.
4. Resolution of the Board of Directors of our Company, passed at the Meeting of the Board of Directors held on June 19, 2023 in relation to the Issue.
5. Resolution of the Shareholders of our Company, passed at the Extra Ordinary General Meeting held with a shorter notice on June 21, 2023 relation to the Issue.
6. The Statement of Possible Tax Benefits dated October 19, 2023 issued by the Statutory Auditor included in this Red Herring Prospectus.

7. Statutory Auditor's report for Restated Financials dated October 19, 2023 included in this Red Herring Prospectus.
8. Certificate on Key Performance Indicators issued by our Statutory Auditor dated October 19, 2023
9. Consents of the Selling Shareholder, the Directors, Promoters, Company Secretary, Chief Financial Officer, Peer Review and Statutory Auditor, Book Running Lead Managers, Market Maker to the Issuer, Underwriters to the Issue, Banker to the Issue, Legal Advisor to the Issue, Monitoring Agency, Banker to the Company, Registrar to the Issue, Share Escrow Agent and Syndicate Member to include their names in the Red Herring Prospectus to act in their respective capacities.
10. Due Diligence Certificate dated October 21, 2023 addressed to SEBI from Book Running Lead Managers.
11. Approval from National Stock Exchange of India Limited vide letter dated September 11, 2023 to use the name of NSE in this Offer Document for listing of Equity Shares on Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge").

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant provisions.



## DECLARATION

I, Ms. Nasreen Shiraz as Promoter Selling Shareholder under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

### SIGNED BY THE PROMOTER SELLING SHAREHOLDER OF OUR COMPANY

Sd/-

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**Ms. Nasreen Shiraz**  
**Selling Shareholder**  
**PAN: ABIPS4937P**

**Place:** Bangalore  
**Date:** October 21, 2023

## DECLARATION

I, Mr. Shiraz Ibrahim as Managing Director and CFO under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR AND CFO OF OUR COMPANY

Sd/-

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**Mr. Shiraz Ibrahim**  
**Managing Director and Chief Financial Officer**  
**DIN: 00812527**

**Place:** Bangalore

**Date:** October 21, 2023

## DECLARATION

I, Ms. Nasreen Shiraz as Executive Director under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

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**Ms. Nasreen Shiraz**  
**Executive Director**  
**DIN: 00581065**

**Place:** Bangalore

**Date:** October 21, 2023

## DECLARATION

I, Mr. Karan Atul Bora as Non-Executive Director under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

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**Mr. Karan Atul Bora**  
**Non-Executive Director**  
**DIN: 08244316**

**Place:** Bangalore

**Date:** October 21, 2023

## DECLARATION

I, Mr. Mukesh Singh as Independent Director under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

### SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY

Sd/-

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**Mr. Mukesh Singh**  
**Independent Director**  
**DIN: 00182998**

**Place:** Bangalore

**Date:** October 21, 2023

## DECLARATION

I, Ms. Rina Sharma as Independent Director under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

### SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY

Sd/-

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**Ms. Rina Sharma**  
**Independent Director**  
**DIN: 08557373**

**Place:** Bangalore

**Date:** October 21, 2023



## DECLARATION

I, Mr. Abhishek Lohia as Company Secretary & Compliance Officer under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY**

Sd/-

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**Mr. Abhishek Lohia**  
**Company Secretary & Compliance Officer**  
**PAN: AHVPL3038M**

**Place:** Bangalore

**Date:** October 21, 2023

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY GRETEX CORPORATE SERVICES LIMITED**

Sr. No.	Issuer Name	Main Board or SME	Issue Size (Cr)	Issue Price (In ₹)	Listing Date	Opening Price on Listing Date	+ / -% change in closing price, [+ / - % change in Closing benchmark ] 30th calendar days from listing	+ / -% change in closing price, [+ / - % change in Closing benchmark ] 90th calendar days from listing	+ / -% change in closing price, [+ / - % change in Closing benchmark ] 180th calendar days from listing
1	B-Right RealEstate Limited	SME	44.36	153.00	July 13, 2022	155.00	-5.19, [11.12]	-15.26, [-6.79]	60.49, [13.52]
2	Shantidoot Infra Services Limited	SME	4.02	81.00	September 19, 2022	105.00	-24.26, [-0.31]	-28.26, [3.71]	-28.80, [-1.95]
3	Steelman Telecom Limited	SME	26.02	96.00	October 10, 2022	161.00	31.29, [5.25]	0.21, [3.29]	-14.23, [3.18]
4	Reetech International Cargo and Courier Limited	SME	11.71	105.00	October 10, 2022	82.00	-0.78, [5.25]	-7.89, [3.29]	-14.23, [3.18]
5	ResGen Limited	SME	28.20	47.00	March 13, 2023	49.00	18.10, [3.70]	-2.75, [7.53]	67.49, [14.36]
6	Sudarshan Pharma Industries Limited	SME	50.10	73.00	March 22, 2023	73.00	6.50, [2.47]	-1.23, [8.78]	13.21, [16.12]
7	Retina Paints Limited	SME	11.10	30.00	May 3, 2023	29.05	32.82, [2.21]	55.54, [8.61]	N.A.
8	Innokaiz India Limited	SME	21.17	78.00	May 11, 2023	148.20	-21.86, [1.16]	-7.08, [6.61]	N.A.
9	Comrade Appliances Limited	SME	12.30	54.00	June 13, 2023	87.00	15.80, [3.83]	80.62, [6.31]	N.A.
10	Shelter Pharma Limited	SME	16.03	42.00	August 23, 2023	39.97	4.62, [0.88]	N.A.	N.A.

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com).

**Note:**

- The BSE SENSEX are considered as the Benchmark Index.
- Price on BSE are considered for all the above calculations.
- In case 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day is not a trading day, the price / index of the immediately preceding working day has been considered.

- d. In case 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day, scripts are not traded then the share price is taken of the immediately preceding trading day.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the Book Running Lead Managers. Hence, disclosure pertaining to recent 10 issues handled by the Book Running Lead Managers are provided.

**SUMMARY STATEMENT OF DISCLOSURE**

Financial Year	Total no. of IPOs	Total Funds Raised ('in Cr.)	No. of IPOs trading at Discount-30 <sup>th</sup> calendar day from listing day			No. of IPOs trading at Premium-30 <sup>th</sup> calendar day from listing day			No. of IPOs trading at Discount-180 <sup>th</sup> calendar day from listing day			No. of IPOs trading at Premium-180 <sup>th</sup> calendar day from listing day		
			Over 50%	Betw een 25-50%	Less than 25%	Over 50%	Betw een 25-50%	Less than 25%	Over 50%	Betw een 25-50%	Less than 25%	Over 50%	Betw een 25-50%	Less than 25%
2021-22	*3	46.39	--	--	--	2	--	1	--	--	--	2	--	1
2022-23	**9\$	179.70	--	--	3	2	1	3	--	2	1	5	--	1
2023-24	***4 ^	60.59	--	--	1	--	1	2	--	--	--	--	--	--

*Upto October 21, 2023*

*\*The scrip with Listing date PlatinumOne Business Services Limited (September 16, 2021), Markolines Traffic Controls Limited (September 27, 2021) and Clara Industries Limited (December 29, 2021)*

*\*\*The scrip with Listing date Goel Food Products Limited (June 28, 2022), Sailani Tours N Travels Limited (July 08, 2022), Jayant Infratech Limited (July 13, 2022), B-Right RealEstate Limited (July 13, 2022), Shantidoot Infra Services Limited (September 19, 2022), Steelman Telecom Limited (October 10, 2022), Reetech International Cargo and Courier Limited (October 10, 2022), ResGen Limited (March 13, 2023) and Sudarshan Pharma Industries Limited (March 22, 2023).*

*\*\*\* The scrip with Listing date Retina Paints Limited (May 03, 2023), Innokaiz India Limited (May 11, 2023), Comrade Appliances Limited (June 13, 2023) and Shelter Pharma Limited (August 23, 2023).*

*^ The scrip of Retina Paints Limited, Innokaiz India Limited, Comrade Appliances Limited and Shelter Pharma Limited have not completed 180 Days from the date of listing.*

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED**

The price information of past issues handled by Pantomath Capital Advisors Private Limited is as follows:

Sr. No	Issuer Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing
1.	V-Marc India Limited	23.40	39.00	April 9, 2021	46.50	-15.48 % (0.08%)	-31.08 % (7.04%)	-17.74% (20.14)
2.	Exxaro Tiles Limited	160.78	120.00	August 16, 2021	126.00	23.69% (4.93%)	16.19% (9.30%)	1.07% (4.90%)
3.	A B Cotspin India Limited	10.09	35.00	January 11, 2022	38.50	41.82% (-3.28%)	12.60% (-2.11%)	-3.60% (-10.65%)
4.	Sah Polymers Limited	66.30	65.00	January 12, 2023	85.00	-4.24% (-0.01%)	-12.11% (-1.14%)	13.59% (8.39%)
5.	Urban Enviro Waste Management limited	11.42	100.00	June 22, 2023	141.00	-27.66% (5.19%)	-5.39% (6.02%)	-
6.	Aeroflex Industries Limited	351.00	108.00	August 31, 2023	197.40	-22.59% (1.54%)	-	-
7.	Vishnu Prakash R Punglia Limited	308.60	99.00	September 05, 2023	165.00	0.67% (-0.71%)	-	-
8.	Plaza Wires Limited	71.28	54	October 12, 2023	76.00	-	-	-

For details regarding the track record of the Book Running Lead Manager, as specified in the Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer to the website [www.pantomathgroup.com](http://www.pantomathgroup.com)

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

Note:

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index.
2. Prices on BSE/NSE are considered for all of the above calculations.
3. In case the 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is a holiday, closing price on BSE/NSE of the previous trading day has been considered.
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> days, scrips are not traded then closing price on BSE/NSE of the previous trading day has been considered.

**SUMMARY STATEMENT OF DISCLOSURE**

Summary statement of price information of past public issues handled by Pantomath Capital Advisors Private Limited

Financial year	Total no. of IPO	Total funds raised (₹ Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30th Calendar day from listing date			Nos of IPOs trading at discount on 180th Calendar day from listing date			Nos of IPOs trading at premium on 180th Calendar day from listing date		
			Over 50%	Bet ween 25-50%	Less than 25%	Over 50%	Bet ween 25-50%	Less than 25%	Over 50%	Bet ween 25-50%	Less than 25%	Over 50%	Bet ween 25-50%	Less than 25%
21-22	3	194.27	-	-	1	-	1	1	-	-	2	-	-	1
22-23	1	66.30	-	-	1	-	-	-	-	-	-	-	-	1
23-24*	4	742.30	-	1	1	-	-	1	-	-	-	-	-	-

\*Upto October 21, 2023