

TRANSRAIL

TRANSRAIL LIGHTING LIMITED



(Please scan this QR code to view the RHP)

Our Company was originally incorporated as "Transrail Lighting Limited" at Mumbai, Maharashtra as a public limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated February 18, 2008, issued by the Registrar of Companies and commenced operations pursuant to a certificate of commencement of business dated March 18, 2008. The full name of our Company is "History and Certain Corporate Matters - Brief History of our Company" on page 223 of the RHP prospectus dated December 10, 2024 ("RHP" or "Red Herring Prospectus") (as with the RHP).

Registered Office: 501, A.B.C.E. Tower, 200, Block G, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400 051, India. Tel: +91 22 6167 9800. Website: www.transrail.in. Contact person: Giridhar Ujchikar, Company Secretary and Compliance Officer. Email: cs@transrailighting.com. Corporate Identity Number: U31509MH2008PLC193012

THE PROMOTERS OF OUR COMPANY ARE AJANMA HOLDINGS PRIVATE LIMITED, DIGAMBAR CHUNNILAL BAGDE AND SANJAY KUMAR VERMA

INITIAL PUBLIC OFFERING OF UP TO (●) EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF TRANSRAIL LIGHTING LIMITED (OUR "COMPANY" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹(●) PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹(●) PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹(●) MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO (●) EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹4,000.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE (THE "OFFER FOR SALE") OF UP TO 10,160,000 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹(●) MILLION, BY AJANMA HOLDINGS PRIVATE LIMITED ("PROMOTER SELLING SHAREHOLDER") ("OFFERED SHARES"). THE OFFER SHALL CONSTITUTE (●)% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹) #
Ajanma Holdings Private Limited	Promoter Selling Shareholder	Up to 10,160,000 Equity Shares aggregating up to ₹(●) million	10.50

As certified by Nayan Parikh & Co., Chartered Accountant, by way of their certificate dated December 10, 2024.

We are an Indian engineering, procurement and construction ("EPC") company. Our Company primarily focuses on power transmission and distribution business and integrated manufacturing facilities for lattice structures, conductors, and monopoles.

The Offer is being made through the Book Building Process in accordance with Regulation 8(1) of the SEBI ICDR Regulations
QIB Portion: Not more than 50% of the Net Offer | Non-Institutional Portion: Not less than 15% of the Net Offer | Retail Portion: Not less than 35% of the Net Offer
 Employee reservation portion - upto (●) Equity Shares aggregating up to ₹ 190 million.

PRICE BAND: ₹410 TO ₹432 PER EQUITY SHARE OF FACE VALUE OF ₹2 EACH.
 THE FLOOR PRICE AND THE CAP PRICE ARE 205 TIMES AND 216 TIMES THE FACE VALUE OF THE EQUITY SHARES, RESPECTIVELY.
BIDS CAN BE MADE FOR A MINIMUM OF 34 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AND IN MULTIPLES OF 34 EQUITY SHARES OF FACE VALUE OF ₹2 EACH THEREAFTER.
 THE PRICE TO EARNINGS RATIO BASED ON DILUTED EPS FOR FISCAL 2024 AT THE UPPER END OF THE PRICE BAND IS 22.05 TIMES
 AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP PE RATIO OF 55.05 TIMES
 WEIGHTED AVERAGE RETURN ON NET WORTH FOR LAST THREE FINANCIAL YEARS IS 17.69%.

In accordance with the recommendation of the Independent Directors of our Company, pursuant to their resolution dated December 14, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Offer Price" section on page 115 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in "Basis for Offer Price" section on page 115 of the RHP.

In making an investment decision and purchase in the Offer, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the merits and risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS

(For details refer to the section titled "Risk Factors" on page 31 of the RHP)

- Project cancellation/ modification risk:** Our Order Book is subject to cancellation, modification or delay which may materially and adversely affect our business, future prospects, reputation, financial condition and results of operation. If any of our projects are cancelled or terminated prematurely, there can be no assurance that our Company will receive the applicable termination payments in time or at all or that the amount paid will be adequate to enable our Company to recover its investments in the prematurely cancelled project. As of June 30, 2024, our confirmed Order Book amounted to ₹ 102,130.66 million.
- Project costs overrun and time overrun risk:** Since our project management and turnkey EPC contracts (including those for power transmission and distribution), have long execution periods and time overruns, project related estimated costs and revenue estimates may vary from the actual costs incurred and actual revenues generated which may adversely affect our business, financial condition, results of operations and future prospects. In the past our Company has faced time and cost overruns in certain international projects.
- Risk in relation to tenders by public sector authorities:** Our business is substantially dependent on tenders being floated by government authorities, public sector undertakings and utilities, from which we derive a significant portion of our revenues, i.e. approximately 70% of our revenue from operations for the three months period ended June 30, 2024. Any delays in tenders released or no tenders released by such entities may have a material adverse effect on our business and results of operations.

- future or other regulatory actions in relation to the non-compliances, our reputation, business and results of operations could be adversely affected.
- Indebtedness risk:** We have substantial capital expenditure and working capital requirements involving relatively long implementation periods and we may require additional financing to meet those requirements. As of September 30, 2024, our Company had total outstanding indebtedness amounting to ₹ 57,689.30 million. Details of our capital expenditure and working capital as per Restated Consolidated Financial Information is set out below:

Particulars	Source of financing	As at and for the			
		Three months period ended June 30, 2024	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Capital expenditure*	Capex and term loans from various banks and non-banking financial institutions and balance from internal accruals.	192.56	322.73	659.66	707.53
Working capital	Working capital facilities from various banks, non-banking financial institutions, equity raised, inter corporate loans and internal accruals.	11,920.18	11,748.79	7,889.58	6,672.34

* Gross additions in fixed assets, net addition in capital work-in-progress and intangible assets. Our indebtedness and the conditions and restrictions imposed on us by our financing arrangements could adversely affect our ability to conduct our business.

- Risk regarding a CBI matter:** We have an outstanding FIR filed by the Central Bureau of Investigation, Anti-Corruption Bureau, Lucknow, Uttar Pradesh ("CBI") for Gornli River Project. Any adverse developments in such CBI matter may have a material adverse effect on our business, financial condition, results of operations and cash flows.
- Risk regarding show cause notice received from RBI:** In the past, our Company has received a show cause notice from RBI for FEMA non compliance. Any adverse action in the future or inability of our Company to realize and repatriate the outstanding dues may have a material adverse impact on our business operations and financial condition.
- Proceeds from the Offer for Sale portion:** The Offer includes an offer for sale of up to 10,160,000 Equity Shares by the Promoter Selling Shareholder. The proceeds from the Offer for Sale (net of expenses) will be paid to the Promoter Selling Shareholder and our Company will not receive any proceeds from the Offer for Sale.
- Market Risk:** The Offer Price of our Equity Shares, market capitalization to revenue from operations ratio and our price-to-earnings ratio may not be indicative of the trading price of our Equity Shares upon listing on the Stock Exchanges subsequent to the Offer and, as a result, you may lose a significant part or all of your investment.

Particulars	Three months period ended June 30, 2024	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Government clients				
Revenue generated (in ₹ million)	6,242.67	33,139.50	25,414.62	18,509.69
Percentage of revenue generated	68.60%	82.66%	82.35%	81.04%
Number of contracts*	102	101	82	90
Number of clients	38	53	35	37
Non-government clients				
Revenue generated (in ₹ million)	2,726.36	6,952.80	5,448.75	4,331.73
Percentage of revenue generated	30.40%	17.34%	17.65%	18.96%
Number of contracts*	28	23	15	39
Number of clients	19	16	16	30

* These contracts include projects across all our business verticals i.e., power transmission and distribution, civil construction, railways and poles and lightings.

- Foreign currency risk:** We are exposed to foreign currency fluctuation risks, particularly in relation to import of raw materials, receivables from our foreign projects and our trade receivables, which may adversely affect our results of operations, financial condition and cash flows.

The breakdown of our revenue from operations on the basis of geography is set out below:

Particulars	Three months period ended June 30, 2024	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Revenue from operations generated in India (In ₹ million)	4,494.59	16,619.17	14,388.38	14,170.34
Percentage to total revenue from operations (%)	50.11	41.45	46.62	62.04
Revenue from operations generated outside India (In ₹ million)	4,474.44	23,473.13	16,472.99	8,671.08
Percentage to total revenue from operations (%)	49.89	58.55	53.38	37.96

While we hedge our foreign currency exposure through forward contracts, a very small portion of our international business is hedged. Majority of our trade receivables and trade payables are in USD and Bangladesh Taka. Accordingly, depreciation of the Indian Rupee against the USD and other foreign currencies may adversely affect our results of operations if there is an increase in the cost of the raw materials we import or any proposed capital expenditure in foreign currencies.

- Reputation risk:** Our Company was a subsidiary of Gammon India Limited ("GIL") in the past. Any action taken against GIL pursuant to the proceedings outstanding against GIL, may have an adverse impact on our reputation and business. As on the date, GIL holds 389,770 Equity Shares aggregating to 0.31% of the issued and paid-up Equity Share capital of our Company.
- Non-compliance risk:** In the past, our books of accounts have been inspected by the Ministry of Corporate Affairs ("MCA") and certain non-compliances have been found by the MCA in our books of accounts. There are no violations, as disclosed above, that are continuing or not compounded by the MCA, as on the date of the Red Herring Prospectus. Further, in the past, our Company has been subjected to penalty in case of contraventions under the Companies Act, 2013 in connection with the Pre-IPO Placement. If we are subject to penalties in the

Particulars	Ratio vis a vis Floor Price of ₹410	Ratio vis a vis Cap Price of ₹432
	(In multiples, unless otherwise specified)	
Market capitalization to revenue from operations ratio #	1.38	1.45
Price-to-earnings ratio*	20.93	22.05

Revenue from operations has been considered for the Financial Year ended March 31, 2024. Market capitalization is derived considering 12,49,96,767 Equity Shares as on date plus proposed number of 91,58,097 Equity Shares at Floor Price of ₹410 and 92,59,258 Equity Shares at Cap Price of ₹432.

* Price to Earnings Ratio is derived by dividing Floor Price and Cap Price by EPS of the Financial Year.

- Risk related to revenue from International clients:** For the three months period ended June 30, 2024, we derived approximately 29% of our revenue from our international clients in Bangladesh, Maldives and Niger. The table below sets for a breakup of our revenue from operations generated in India and outside India on a consolidated basis.

Particulars	Three months period ended June 30, 2024		Financial Year ended March 31, 2024		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	Amount*	(%)	Amount*	(%)	Amount*	(%)	Amount*	(%)
India	4,494.59	50.11	16,619.17	41.45	14,388.38	46.62	14,170.34	62.04
Outside India	4,474.44	49.89	23,473.13	58.55	16,472.99	53.38	8,671.08	37.96
Total	8,969.03	100.00	40,092.30	100.00	30,861.37	100.00	22,841.42	100.00

* Amount of revenue from operations (in ₹ million)
 Percentage of revenue from operations (%)

Continued on next page...

Continued from previous page.

13. Trade receivables, contract assets and inventories form a substantial part of our current assets and net worth. Our business is working capital intensive and hence trade receivables, contract assets and inventories form a substantial part of our current assets and net worth. The trade receivable, contract assets and inventories for the period specified is set forth below:

Table with 5 columns: Particulars, Three months period ended June 30, 2024, For Financial Year ended March 31, 2024, For Financial Year ended March 31, 2023, For Financial Year ended March 31, 2022. Rows include Trade Receivables, Contract Assets, Inventories, Total (A), Total Assets (B), and Percentage constitution of Total Assets (A/B*100).

14. Risk related to concentration of Customers: Our business is substantially dependent on the revenue from operations generated from our top five, top 10 and top 15 clients. The break up of which is set forth below:

Table with 7 columns: Particulars, Amount, (%), Amount FY 2024, (%), Amount FY 2023, (%), Amount FY 2022, (%). Rows include Top 1 client, Top 5 clients, and Top 10 clients.

*Amount of revenue from operations generated in the three months period ended June 30, 2024. Percentage of revenue from operations generated in the three months period ended June 30, 2024.

15. In the past, growth rate of our domestic business has been lower than the overall growth rate of our business.

16. Foreign portfolio registration certificate of Global Ave Investment Fund (formerly known as Aviator Global Investments Fund) ("GAIF") one of our Promoter Group entities, and Great International Tusker Fund ("GITF") has been rendered invalid by SEBI. GAIF and GITF have also invested in our Promoter, Ajanta Holdings Private Limited, through the FDI route.

17. Other risks:

The weighted average cost of acquisition of Equity Shares for Promoter Selling Shareholder is ₹10.50 per Equity

Shares and the offer price at upper end of the price band is ₹ 432 per Equity Share. The Price to Earnings ratio based on diluted EPS for financial year ended March 31, 2024 for the Company at the upper end of the Price band is as high as 22.05 times as compared to the average industry peer group PE ratio of 55.05 times. Weighted Average Return on Net Worth for Financial Year ended March 31, 2024, March 31, 2023 and March 31, 2022 is 17.69%. The four Key Running Lead Managers associated with the Offer have handled 53 public issues in the past three financial years out of which 14 issues closed below the issue price on the listing date.

Table with 3 columns: Name of the BRLMs, Total Public Issues, Issues closed below Offer Price on listing date. Rows include Inga Ventures Private Limited, Axis Capital Limited, HDFC Bank Limited, IDBI Capital Markets & Securities Limited, Common Issues handled by the BRLMs, and Total.

Weighted average cost of acquisition of all shares transacted in the one year, 18 months and three years preceding the date of the Red Herring Prospectus:

Table with 5 columns: Period, Weighted average cost of acquisition (in ₹)*#, Cap Price is 'X' times the weighted average cost of acquisition, Floor Price is 'X' times the weighted average cost of acquisition, Range of acquisition price: lowest price - highest price (in ₹)*#. Rows include Last one year, Last 18 months, and Last three years.

*As certified by our Statutory Auditors, by way of their certificate dated December 10, 2024.

Adjusted pursuant to a resolution passed by our Board on February 6, 2024 and a resolution passed by the Shareholders on February 12, 2024, each equity share of face value of ₹10 has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid-up capital of our Company was sub-divided from 24,792,742 equity shares of face value of ₹10 each to 123,963,710 Equity Shares of face value of ₹2 each.

BID/OFFER OPENS TODAY

BID/OFFER CLOSES ON: MONDAY, DECEMBER 23, 2024**

*LPI mandate end time and date shall be at 5:00 p.m. on the Bid/Offer Closing Date. An indicative timetable in respect of the Offer is set out below: Submission of Bids (other than Bids from Anchor Investors):

Table with 3 columns: Submission and Revision in Bids, Bid/Offer Period (except the Bid/Offer Closing Date), and Event. Rows include Submission of Electronic Applications, Submission of Physical Applications, and Modification/Revision/cancellation of Bids.

*LPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.

** QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

ASBA logo and text: ASBA - Simple, Safe, Smart way of Application!!!. Mandatory in public issues. No cheque will be accepted.

LPI logo and text: LPI - Listed Public Issue. UPI-How available in ASBA for Retail Individual Investors and Non-Institutional Investor applying for amount upto ₹ 5,00,000/-.

Bid / Offer Programme

Table with 3 columns: Bid / Offer Programme, Event, and Indicative Date. Rows include Bid/Offer Closes on, Finalisation of Basis of Allotment, Initiation of refunds, Allotment of Equity Shares, and Commencement of trading.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days (including such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days (including such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. An indicative timetable in respect of the Offer is set out below: Submission of Bids (other than Bids from Anchor Investors):

Grid of logos and contact information for Book Running Lead Managers: Inga, Axis Capital, HDFC Bank, IDBI Capital, Link Intime, and Company Secretary and Compliance Officer.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the section titled "Risk Factors" on page 91 of the RHP before applying to the Offer. Copy of the RHP is available on website of SEBI at www.sebi.gov.in, website of the Stock Exchange i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of the Company at www.transrail.com and the website of the BRLMs, i.e. Inga Ventures Private Limited, Axis Capital Limited, HDFC Bank Limited and IDBI Capital Markets & Securities Limited at www.ingaventures.com, www.axiscapital.com, www.hdfcbank.com and www.idbicapital.com respectively. An indicative timetable in respect of the Offer is set out below: Submission of Bids (other than Bids from Anchor Investors):

For TRANSRAIL LIGHTING LIMITED On behalf of the Board of Director. Gandhiji Upadhyay, Company Secretary and Compliance Officer. Place: Mumbai, Date: December 18, 2024. TRANSRAIL LIGHTING LIMITED is proposing, subject to applicable statutory regulatory requirements, receipt of requisite approvals, market conditions and other considerations, an unlisted public offering of its Equity Shares and will file the RHP dated December 10, 2024 with the RAC. The RHP is available on the website of the BSE and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, on the website of the Company at www.transrail.com and www.ingaventures.com respectively, on the website of the BRLMs, i.e. Inga Ventures Private Limited, Axis Capital Limited, HDFC Bank Limited and IDBI Capital Markets & Securities Limited at www.ingaventures.com, www.axiscapital.com, www.hdfcbank.com and www.idbicapital.com respectively. Any potential investor should note that investment in equity shares involves a high degree of risk and for a small return on such risk.