

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



VILAS TRANSCORE LIMITED



CIN: U31102GJ2006PLC049469

Our Company was originally incorporated as “Bravil Powercore Private Limited” on November 28, 2006 vide Registration Certificate No. 049469 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli (RoC). Further, pursuant to shareholder’s resolution passed at the Extra Ordinary General Meeting held on March 07, 2007, the name of our company was changed from “Bravil Powercore Private Limited” to “Vilas Transcore Private Limited” vide a fresh certificate of incorporation dated March 15, 2007 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli (RoC). Subsequently pursuant to a takeover agreement dated April 23, 2007 the business of a proprietorship firm “M/s Vilas Transcore”, which was being carried out by our Promoter Mr. Nilesh Jitubhai Patel, was transferred to our Company as a going concern Further, pursuant to special resolution passed by the shareholders at the extra ordinary general meeting, held on February 22, 2011 our Company was converted into a Public Limited Company and the name of our Company was changed from “Vilas Transcore Private Limited” to “Vilas Transcore Limited” vide a fresh certificate of incorporation dated April 09, 2011, CIN: U31102GJ2006PLC049469 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli (RoC).

Registered Office: Plot No 435 To 437, Nr Galaxy Hotel, N H No 8, Village Por, Vadodara, Gujarat, 391243.
Tel No: +91- 9328026762; **E-mail:** nilesh@vilastranscore.com; **Website:** www.vilastranscore.com;
Contact Person: Gandhali Gurunath Paluskar, Company Secretary & Compliance Officer

OUR PROMOTERS: NILESH JITUBHAI PATEL AND NATASHA NILESH PATEL

“THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER IX OF THE SEBI ICDR REGULATIONS (IPO OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON SME PLATFORM OF NSE LIMITED (“NSE Emerge”).

We are engaged in the manufacturing and supply of components used in the power distribution and transmission sector, primarily to transformer and other power equipment’s manufacturer in India and abroad.

THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 64,80,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE “EQUITY SHARES”) OF VILAS TRANSCORE LIMITED (“OUR COMPANY” OR “THE ISSUER”) AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹[●] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH 3,26,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹[●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 61,54,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹[●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.47% AND 25.14% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

- **QIB PORTION:** NOT MORE THAN 50.00% OF THE NET ISSUE
- **RETAIL PORTION:** NOT LESS THAN 35.00% OF THE NET ISSUE
- **NON-INSTITUTIONAL PORTION:** NOT LESS THAN 15.00% OF THE NET ISSUE
- **MARKET MAKER PORTION:** UPTO 3,26,000 EQUITY SHARES OR 5.03% OF THE ISSUE

PRICE BAND: RS. 139 TO RS. 147 PER EQUITY SHARE OF FACE VALUE RS. 10/- EACH

THE FLOOR PRICE IS 13.9 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 14.7 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

BIDS CAN BE MADE FOR A MINIMUM OF 1000 EQUITY SHARES AND IN MULTIPLES OF 1000 EQUITY SHARES THERE AFTER.

RISKS TO INVESTORS:

- Our business is dependent on the sale of our products to certain key customers. The loss of any such customers or a significant reduction in the sales made to such customers, could materially adversely affect our business, results of operations and financial condition.
- Pricing pressure from customers may adversely affect our gross margin, profitability and ability to increase our prices, which may in turn materially adversely affect our results of operations and financial condition.
- The Merchant Banker associated with the Issue has handled 46 public issues (SME) in the past three years out of which 2 Issue closed below the Issue Price on listing date.
- Average cost of acquisition of Equity Shares held by the Individual Promoters is

Sr. No.	Name of the Promoters	Average cost of Acquisition (in ₹)
1.	Nilesh Jitubhai Patel	0.81
2.	Natasha Nilesh Patel	Nil

- and the Issue Price at the upper end of the Price Band is Rs. 147 per Equity Share.
- The Price/ Earnings ratio based on Diluted EPS for Fiscal 2023 for the company at the upper end of the Price Band is 13.08.
 - Weighted Average Return on Net worth for Fiscals 2023, 2022 and 2021 is 15.41%.
 - The Weighted average cost of acquisition of all Equity Shares transacted in the last 1 year, 18 months and 3 years from the date of RHP is as given below:

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper end of the Price Band (Rs. 147) is “X” times the weighted Average cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in Rs.)
Last 1 year/ Last 18 months/ Last 3 years	1.03	142.72	0-130

- The Weighted average cost of acquisition compared to Floor Price and Cap Price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price (i.e. ₹ 139)	Cap price (i.e. ₹ 147)
WACA of primary issuance (exceeding 5% of the pre issue capital)	NA^	NA^	NA^
WACA for secondary sale / acquisition (exceeding 5% of the pre issue capital)	NA^^	NA^^	NA^^
Weighted average cost of acquisition of primary issuances/ secondary transactions as per paragraph 8(c) above	130	1.07	1.13

Note:

^There were no primary/ new issue of shares (equity/ convertible securities) except bonus in last 18 months from the date of the Red Herring Prospectus.

^^There were no secondary transactions exceeding 5% of the pre issue capital, in last 18 months from the date of the Red Herring Prospectus.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 26, 90 and 129 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.

Price Band/ Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹10/- each and the Issue Price is 13.9 times of the face value at the lower end of the Price Band and 14.7 times of the face value at the upper end of the Price Band.

QUALITATIVE FACTORS

We believe the following business strengths allow us to successfully compete in the industry:

1. Established player in manufacturing of transformer component and power equipment sector
2. Strong manufacturing capabilities
3. Longstanding relationships with customers
4. Skilled and experienced promoter and management team
5. Strong financial position with robust financial performance

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “Our Business” beginning on page 90 of the Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “Financial Information of the Company” on page 129 of the Red Herring Prospectus.

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

1. Basic & Diluted Earnings per share (EPS) (Face value of ₹10 each):

As per the Restated Financial Statements:

Sr. No	F.Y./Period	Basic & Diluted (₹)	Weights
1.	Financial Year ending March 31, 2023	11.24	3
2.	Financial Year ending March 31, 2022	9.95	2
3.	Financial Year ending March 31, 2021	2.91	1
	Weighted Average	9.42	
	For the Period Ended Dec 31, 2023	9.33*	

*Not Annualised

Notes:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company as adjusted with the effect of issue of Bonus Shares.
 - ii. The face value of each Equity Share is ₹10.00.
 - iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
 - iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
 - v. Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period
 - vi. Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.
2. **Price Earning (P/E) Ratio in relation to the Price Band of ₹139 to ₹147 per Equity Share of Face Value of ₹ 10/- each fully paid up:**

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2023	12.37	13.08
P/E ratio based on the Weighted Average EPS, as restated.	14.76	15.61

Note:

- (i) The P/E ratio of our Company has been computed by dividing Issue Price with EPS.
- (ii) There are no listed companies in India that are engaged in a business similar to that of our company accordingly it is not possible to provide an industry comparison in relation to our company

3. Return on Net worth (RoNW)

Sr. No	Period	RoNW (%)	Weights
1	Period ending March 31, 2023	16.79%	3
2	Period ending March 31, 2022	17.87%	2
3	Period ending March 31, 2021	6.36%	1
	Weighted Average	15.41%	
	For the Period Ended Dec 31, 2023 (not annualized)	12.24%	

Note:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/period
- iii. Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

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

Sr. No.	NAV per Equity Share	(Amount in ₹)
1.	As at March 31, 2021	45.73
2.	As at March 31, 2022	55.69
3.	As at March 31, 2023	66.92
4.	As at Dec 31, 2023	76.25
5.	NAV per Equity Share after the Issue	
	i) At Floor Price	92.86
	ii) At Cap Price	94.98
6.	Issue Price	[*]

Notes:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. NAV per share=Restated Net worth at the end of the year/period divided by total number of equity shares outstanding at the end of the year. (Based on weighted average number of shares)
- iii. Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.
- iv. Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

5. Comparison of Accounting Ratios with Industry Peers

There are no listed companies in India that are engaged in the business line similar to that of our company, thus it is not possible to provide an industry comparison in relation to our company.

Name of Company	Current Market Price (Rs.)	Face Value	EPS Basic and Diluted	PE	RoNW (%)	Book Value (Rs.)	Total Income (in Rs. Lakhs)
Vilas Transcore Limited	[*]	10	11.24	[*]	16.79	66.92	28478.14

Notes:

- The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Financial Statement for the Financial Year 2022-23.
- NAV per share is computed as the closing net worth divided by the weighted average number of paid up equity shares as on March 31, 2023.
- RoNW has been computed as net profit after tax divided by closing net worth.
- Net worth has been computed in the manner as specified in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

6. Key Performance Indicators

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

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated May 10, 2024 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 the Red Herring Prospectus. Further, the KPIs herein have been certified by Naresh & Co. Chartered Accountants, by their certificate dated May 10, 2024.

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 90 and 174, respectively. We have described and defined the KPIs as applicable in “Definitions and Abbreviations” on page 1 of the Red Herring Prospectus.

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 utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	As of and for the year/period ended			
	Dec 31, 2023*	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations ⁽¹⁾	23574.56	28,260.51	23,302.93	13,265.15
EBITDA ⁽²⁾	2202.39	2851.31	2546.85	798.95
EBITDA Margin ⁽³⁾	9.34%	10.09%	10.93%	6.02%
PAT ⁽⁴⁾	1679.49	2022.43	1791.49	523.42
PAT Margin ⁽⁵⁾	7.12%	7.16%	7.69%	3.95%
RoE(%) ⁽⁶⁾	13.03%	18.33%	19.63%	12.61%
RoCE (%) ⁽⁷⁾	16.10%	22.64%	24.74%	9.22%

*Not Annualised

Notes:

- (1) Revenue from operation means revenue from sales and other operating revenues
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
- (3) ‘EBITDA Margin’ is calculated as EBITDA divided by Revenue from Operations
- (4) PAT is calculated as Profit before tax – Tax Expenses
- (5) ‘PAT Margin’ is calculated as PAT for the year divided by revenue from operations.
- (6) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity (excluding revaluation reserves)
- (7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders’ equity (excluding revaluation reserves) plus total borrowings (current & non-current)

Explanation for KPI metrics:

KPI	Explanations
Revenue from Operations	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
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.
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.

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

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide a comparison of key performance indicators of industry with our Company

8. Weighted average cost of acquisition

a) The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)

There has been no issuance of Equity Shares other than Equity Shares issued pursuant to a bonus issue on September 07, 2023, during the 18 months preceding the date of the 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 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 30 days. (“Primary Issue”)

Continued on next page