



RATNAVEER PRECISION ENGINEERING LIMITED

(FORMERLY KNOWN AS RATNAVEER METALS LIMITED)



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**THE COMMENCEMENT OF TRADING OF THE EQUITY SHARES OF OUR COMPANY ON
THE STOCK EXCHANGES SHALL BE ON MONDAY, SEPTEMBER 11, 2023**

**OUR COMPANY HAS DECIDED FOR LISTING ON T+3 DAY I.E MONDAY, SEPTEMBER 11, 2023 VOLUNTARILY
IN TERMS OF SEBI CIRCULAR NO. SEBI/HO/CFD/TPD1/CIR/P/2023/140 DATED AUGUST 09, 2023**

Our Company was incorporated under the provisions of the Companies Act, 1956 as "Ratnaveer Stainless Products Private Limited" on February 20, 2002, as a private limited company vide Certificate of Incorporation issued by Registrar of Companies, Dadra & Nagar Haveli, Gujarat. Subsequently the name of our Company was changed to "Ratnaveer Metals Private Limited" vide Special Resolution passed by the shareholders of our Company at their Extra-Ordinary General Meeting held on May 28, 2018, and a fresh Certificate of Incorporation was granted by the Registrar of Companies on May 30, 2018. Pursuant to the conversion of our Company into a public limited company the name was changed to "Ratnaveer Metals Limited" vide Special Resolution passed by the shareholders of our Company at the Annual General Meeting held on September 27, 2018 and a fresh Certificate of Incorporation dated October 11, 2018 was issued by the Registrar of Companies. Further, the name of our Company was changed to "Ratnaveer Precision Engineering Limited" vide Special Resolution passed by the shareholders of our Company at their Extra-Ordinary General Meeting held on October 12, 2022, and a fresh Certificate of Incorporation was granted by the Registrar of Companies on November 01, 2022. For details in relation to the change in our Registered and Corporate Office of our Company, see "History and Certain Corporate Matters" beginning on page 217

Registered Office: Plot no. E-77, G.I.D.C., Savli (Manjusar), Vadodara - 391 775, Gujarat, India.

Corporate Office: Office No. 703 & 704 Ocean Building, 7th Floor, Vikram Sarabhai Campus, Genda Circle Vadodara - 390 023, Gujarat, India

Contact Person: Prerana Rajeshbhai Trivedi, Company Secretary and Compliance Officer; E-mail: cs@ratnaveer.com; Telephone: +91 8487878075; Website: www.ratnaveer.com

Corporate Identity Number: U27108GJ2002PLC040488

OUR PROMOTER: VIJAY RAMANLAL SANGHAVI

Our Company has filed the Prospectus dated September 06, 2023 with the Registrar of Companies. The Equity Shares are proposed to be listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") and the trading will commence on September 11, 2023.

BASIS OF ALLOTMENT

INITIAL PUBLIC OFFER OF UP TO 16,840,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF RATNAVEER PRECISION ENGINEERING LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹ 98 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 88 PER EQUITY SHARE) ("OFFER PRICE") AGGRAGATING UP TO ₹ 1,650.32 MILLION COMPRISING A FRESH ISSUANCE OF UP TO 13,800,000 EQUITY SHARES AGGRAGATING UP TO ₹ 1,352.40 MILLION BY OUR COMPANY ("FRESH OFFER") AND AN OFFER FOR SALE OF UP TO 3,040,000 EQUITY SHARES AGGRAGATING UP TO ₹ 297.92 MILLION BY VIJAY RAMANLAL SANGHAVI ("PROMOTER SELLING SHAREHOLDER") AND SUCH EQUITY SHARES OFFERED BY THE PROMOTER SELLING SHAREHOLDER, THE "OFFERED SHARES" (SUCH OFFER BY THE PROMOTER SELLING SHAREHOLDER, THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH OFFER, THE "OFFER"). THE OFFER SHALL CONSTITUTE 34.72% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS 9.8 TIMES THE FACE VALUE OF THE EQUITY SHARES.

**OFFER PRICE: ₹ 98 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH
THE OFFER PRICE IS 9.8 TIMES OF THE FACE VALUE OF EQUITY SHARES
ANCHOR INVESTOR OFFER PRICE: ₹ 98 PER EQUITY SHARE OF ₹ 10 EACH**

RISKS TO INVESTORS

1. Concentration Risk: We are dependent on our suppliers with whom we do not have long-term agreements. In Fiscals 2023, 2022 and 2021, our purchase of raw materials from our top 10 suppliers was ₹ 3,663.98 million, ₹ 2,890.74 million and ₹ 2,644.30 million, respectively, representing 85.64%, 68.80% and 70.87%, respectively of total purchases of raw materials.
2. We are dependent on a few customers for a major part of our revenues. In Fiscals 2023, 2022 and 2021, our revenue from operations from our top 10 customers was ₹ 2,380.61 million, ₹ 1,906.95 million and ₹ 1,471.99 million, respectively, representing 49.62%, 38.84% and 35.35%, respectively of total purchases of raw materials.
3. We are dependent on our manufacturing units all of which are located in one geographic area within the state of Gujarat, India and are thus, concentrated in one geographic area.
4. We have historically derived a significant portion of our revenue from sales in the western and north zone. In Fiscals 2023, 2022 and 2021, our aggregate revenue from western and north zone was 80.79%, 80.42% and 84.62%, respectively of total domestic revenue from operations and adverse developments in these markets could adversely affect our business.
5. Dependence on steel industry: The pricing in the steel industry is subject to market demand, volatility and economic conditions. Fluctuations in steel prices may have a material adverse impact on our business, results of operations, prospects and financial conditions.
6. Working Capital Intensive: Our business is working capital intensive, if we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations.
7. Our business is a high volume-low margin business. For the Fiscals 2023, 2022 and 2021, our revenue from operations was ₹ 4,797.48 million, ₹ 4,269.38 million and ₹ 3,596.63 million, respectively; our profit before tax margin was 6.38%, 3.15% and 2.67%, respectively and profit after tax margin was 5.22%, 2.22% and 1.52%, respectively. Due to this nature of our business, sudden changes with respect to price movements in goods being traded or sudden ad hoc anomalies in business or operations could substantially affect our net bottom lines and hence, adversely affect our results of operations and financial conditions.
8. Market Risk: The Offer Price of our Equity Shares, our market capitalization to revenue from operation, market capitalization to tangible assets and our Enterprise Value to EBITDA ratio may not be indicative of the market price of our Equity Shares on listing or thereafter.

Proceeds to the extent of the 3,040,000 Equity Shares offered by him in the Offer for Sale.

10. We operate in a highly competitive and fragmented industry with low barriers to entry and may be unable to compete successfully against existing or new competitors, the organized and unorganized.

11. The BRLM associated with the Offer has handled 8 public issues in the past three years, out of which 1 issue closed below the issue price on listing date.

12. Average cost of acquisition per Equity Share by our Promoter Selling Shareholder namely, Vijay Ramanlal Sanghavi is 'Nil' * and Offer Price at upper end of the Price Band is ₹ 98/- per Equity Share.

*As certified by M/s. Pankaj R. Shah & Associates by way of their certificate dated July 14, 2023.

13. Weighted Average Return on Net Worth of our Company for fiscals 2023, 2022 and 2021 is 18.20%.

14. The weighted average cost of acquisition of all Equity Shares acquired in last three years, 18 months and one year preceding the date of the RHP by are as follows:

Period	Weighted Average Cost of Acquisition (in ₹)*	Upper end of the Price band (₹ 98/-) is 'x' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price - Highest Price (in ₹)
Last 1 year	Nil	Nil	0-575
Last 18 months	Nil	Nil	0-575
Last 3 years	Nil	Nil	0-575

*As certified by M/s. Pankaj R. Shah & Associates by way of their certificate dated July 14, 2023.

Note:

The weighted average cost of acquisition has been calculated after considering the number of all the equity shares transacted in last 3 years and adjusting of issue of bonus shares.

15. Weighted average cost of acquisition, floor price and cap price:

Type of transactions	Weighted Average Cost of Acquisition (in ₹)	Floor Price (i.e ₹ 93/-)	Cap Price (i.e ₹ 98/-)
Weighted average cost of acquisition (WACA) of Primary issuances 18 month prior to RHP	68.51	1.36	1.43
Weighted average cost of acquisition (WACA) of secondary transactions 18 month prior to RHP	18.00	5.17	5.44

Note: Adjusted for bonus shares allotted in the ratio of seven equity shares for every one equity share pursuant to allotment dated January 12, 2023

ANCHOR INVESTOR BIDDING DATE OPENED AND CLOSED ON FRIDAY, SEPTEMBER 01, 2023

BID/ISSUE OPENED ON MONDAY, SEPTEMBER 04, 2023

BID/ISSUE CLOSED ON WEDNESDAY, SEPTEMBER 06, 2023

The Offer has been made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations. The Offer has been made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer was made available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIB Portion"). Our Company, in consultation with the Book Running Lead Manager, allocated 60% of the QIB Portion to Anchor Investors, on a discretionary basis. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid bids received from them at or above the Offer Price. Further, 5% of the Net QIB Portion was made available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion was made available for allocation on a proportionate basis to all QIB Bidders including Mutual Funds, subject to valid bids having been received at or above the Offer Price. However, if the aggregate demand from Mutual Funds was less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion were added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer was made available for allocation on a proportionate basis to Non-Institutional Bidders of which one-third of the Non-Institutional Category was made available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds of the Non-Institutional Category was made available for allocation to Bidders with an application size of more than ₹ 1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Category could be allocated to Bidders in the other subcategory of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid bids having been received at or above the Offer Price. Further, not less than 35% of the Offer was made available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid bids received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) were required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts and UPI ID (in case of RILs using UPI mechanism), if applicable, in which the corresponding Bid amounts were blocked by the SCSCBs or under the UPI Mechanism, as applicable. Anchor Investors were not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" on page 381 of the Prospectus.

The bidding for Anchor Investor opened and closed on Friday, September 01, 2023. The Company received 6 applications from 6 Anchor Investors for 67,34,850 Equity Shares.

The Anchor Investor Portion was finalized at ₹ 98 per Equity Shares. A total of 50,52,000 Equity Shares were allotted under the Anchor Investor Portion aggregating ₹ 49,50,96,000/-

THE OFFER RECEIVED 1823929 APPLICATIONS FOR 1,12,13,93,700 EQUITY SHARES (PRIOR TO TECHNICAL REJECTIONS) RESULTING IN 66,5911 TIMES SUBSCRIPTION. THE DETAILS OF THE APPLICATIONS RECEIVED IN THE OFFER FROM VARIOUS CATEGORIES ARE AS UNDER (BEFORE TECHNICAL REJECTIONS):

Sr. No.	Category	Number of Applications Received	Number of Equity Shares Bid for	Number of Equity shares reserved as per Prospectus	No. of times subscribed	Amount (Rs.)
1	Retail Individual Bidders	17,48,414	32,37,03,900	58,94,000	54,9209	31,72,20,61,650
2	Non-Institutional Bidders – more than ₹ 2 lakhs and upto ₹ 10 lakhs	55,839	12,42,78,000	8,42,000	147,5986	12,17,89,73,100
3	Non-Institutional Bidders – more than ₹ 10 lakhs	19,596	22,20,33,300	16,84,000	131,8488	21,75,91,93,050
4	Qualified Institutional Bidders (excluding Anchor Investors)	74	44,46,43,650	33,68,000	132,0201	43,57,50,77,700
5	Anchor Investors	6	67,34,850	50,52,000	1,3331	66,00,15,300
	Total	18,23,929	1,12,13,93,700	1,68,40,000	66,5911	1,09,89,53,20,800

Final Demand
A summary of the final demand as at different Bid prices is as under:

S.R. NO.	PRICE	NO. OF EQUITY SHARES	% TO TOTAL	CUMULATIVE TOTAL	CUMULATIVE % TO TOTAL
1	93.00	10,17,300	0.09	10,17,300	0.09
2	94.00	1,70,550	0.01	11,87,850	0.10
3	95.00	5,70,600	0.05	17,58,450	0.15
4	96.00	6,21,150	0.05	23,79,600	0.20
5	97.00	7,43,100	0.06	31,22,700	0.27
6	98.00	84,90,19,950	72.05	85,21,42,650	72.32
7	CUT OFF	32,61,79,050	27.68	1,17,83,21,700	100.00
		1,17,83,21,700	100.00		

The Basis of Allotment (except Anchor Investors) was finalized in consultation with the Designated Stock Exchange, being NSE, on September 07, 2023.

A. Allotment to Retail Individual Bidders (after Rejections) (including ASBA Applications)

The Basis of Allotment to the Retail Individual Bidders, who have bid at the Cut-Off Price or at the Issue Price of Rs. 98 per Equity Share, was finalized in consultation with NSE. This category has been subscribed to the extent of 52.84 times. The total number of Equity Shares Allotted in this category is 58,94,000 Equity Shares to 39,293 successful Retail Individual Bidders. The category-wise details of the Basis of Allotment are as under:

Sr. No.	Category	No. of Applications Received	% to Total	Total No. of Equity Shares Applied	% to Total	No. of Equity Shares allocated per Bidder (after rounding off)	Ratio	Total No. of Equity Shares allotted

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Sr. No.	Category	No. of Applications Received	% to Total	Total No. of Equity Shares Applied	% to Total	No. of Equity Shares allocated per Bidder (after rounding off)	Ratio	Total No. of Equity Shares allotted
1	10,350	17,688	91.68	18,30,70,800	83.95	2,102	16.385	15,44,970
2	10,500	564	2.92	59,22,000	2.72	2,102	23.564	48,346
3	10,650	101	0.52	10,75,650	0.49	2,102	41.101	8,408
4	10,800	100	0.52	10,80,000	0.50	2,102	41.100	8,408
5	10,950	48	0.25	5,25,600	0.24	2,102	2.48	4,204
6	11,100	65	0.34	7,21,500	0.33	2,102	3.65	6,306
7	11,250	77	0.40	8,66,250	0.40	2,102	3.77	6,306
8	11,400	15	0.08	1,71,000	0.08	2,102	1:15	2,102
9	11,550	27	0.14	3,11,850	0.14	2,102	1:27	2,102
10	11,850	13	0.07	1,54,050	0.07	2,102	1:13	2,102
11	12,000	39	0.20	4,68,000	0.21	2,102	2.39	4,204
12	12,150	17	0.09	2,06,550	0.09	2,102	1:17	2,102
13	13,050	14	0.07	1,82,700	0.08	2,102	1:14	2,102
14	15,000	60	0.31	9,00,000	0.41	2,102	2:60	4,204
15	16,650	16	0.08	2,66,400	0.12	2,102	1:16	2,102
16	20,400	17	0.09	3,46,800	0.16	2,102	1:17	2,102
17	20,700	18	0.09	3,72,600	0.17	2,102	1:18	2,102
18	25,500	25	0.13	6,37,500	0.29	2,102	1:25	2,102
19	30,000	17	0.09	5,10,000	0.23	2,102	1:17	2,102
20	51,000	21	0.11	10,71,000	0.49	2,102	1:21	2,102
1001	11,700	2	0.01	23,400	0.01	2,102	0:2	0
1002	12,300	6	0.03	73,800	0.03	2,102	0:6	0
1003	12,450	7	0.04	87,150	0.04	2,102	0:7	0
1004	12,600	5	0.03	63,000	0.03	2,102	0:5	0
1005	12,750	5	0.03	63,750	0.03	2,102	0:5	0
1006	12,900	8	0.04	1,03,200	0.05	2,102	0:8	0
1007	13,200	2	0.01	26,400	0.01	2,102	0:2	0
1008	13,350	4	0.02	53,400	0.02	2,102	0:4	0
1009	13,500	12	0.06	1,62,000	0.07	2,102	0:12	0
1010	13,950	1	0.01	13,950	0.01	2,102	0:1	0
1011	14,250	2	0.01	28,500	0.01	2,102	0:2	0
1012	14,400	5	0.03	72,000	0.03	2,102	0:5	0
1013	14,700	3	0.02	44,100	0.02	2,102	0:3	0
1014	15,150	4	0.02	60,600	0.03	2,102	0:4	0
1015	15,300	10	0.05	1,53,000	0.07	2,102	0:10	0
1016	15,450	6	0.03	92,700	0.04	2,102	0:6	0
1017	15,600	6	0.03	93,600	0.04	2,102	0:6	0
1018	15,750	5	0.03	78,750	0.04	2,102	0:5	0
1019	15,900	1	0.01	15,900	0.01	2,102	0:1	0
1020	16,050	1	0.01	16,050	0.01	2,102	0:1	0
1021	16,200	7	0.04	1,13,400	0.05	2,102	0:7	0
1022	16,350	3	0.02	49,050	0.02	2,102	0:3	0
1023	16,500	4	0.02	66,000	0.03	2,102	0:4	0
1024	16,800	2	0.01	33,600	0.02	2,102	0:2	0
1025	16,950	2	0.01	33,900	0.02	2,102	0:2	0
1026	17,100	1	0.01	17,100	0.01	2,102	0:1	0
1027	17,250	1	0.01	17,250	0.01	2,102	0:1	0
1028	17,550	1	0.01	17,550	0.01	2,102	0:1	0
1029	17,700	1	0.01	17,700	0.01	2,102	0:1	0
1030	17,850	1	0.01	17,850	0.01	2,102	0:1	0
1031	18,000	11	0.06	1,98,000	0.09	2,102	0:11	0
1032	18,150	1	0.01	18,150	0.01	2,102	0:1	0
1033	18,300	1	0.01	18,300	0.01	2,102	0:1	0
1034	18,450	1	0.01	18,450	0.01	2,102	0:1	0
1035	18,600	1	0.01	18,600	0.01	2,102	0:1	0
1036	18,750	3	0.02	56,250	0.03	2,102	0:3	0
1037	19,500	6	0.03	1,17,000	0.05	2,102	0:6	0
1038	19,650	1	0.01	19,650	0.01	2,102	0:1	0
1039	19,950	1	0.01	19,950	0.01	2,102	0:1	0
1040	20,250	2	0.01	40,500	0.02	2,102	0:2	0
1041	20,550	6	0.03	1,23,300	0.06	2,102	0:6	0
1042	20,850	1	0.01	20,850	0.01	2,102	0:1	0
1043	21,000	9	0.05	1,89,000	0.09	2,102	0:9	0
1044	21,150	3	0.02	63,450	0.03	2,102	0:3	0
1045	21,300	4	0.02	85,200	0.04	2,102	0:4	0
1046	21,600	1	0.01	21,600	0.01	2,102	0:1	0
1047	21,900	3	0.02	65,700	0.03	2,102	0:3	0
1048	22,050	1	0.01	22,050	0.01	2,102	0:1	0
1049	22,350	1	0.01	22,350	0.01	2,102	0:1	0
1050	22,500	9	0.05	2,02,500	0.09	2,102	0:9	0
1051	22,650	1	0.01	22,650	0.01	2,102	0:1	0
1052	22,800	1	0.01	22,800	0.01	2,102	0:1	0
1053	22,950	1	0.01	22,950	0.01	2,102	0:1	0
1054	23,100	1	0.01	23,100	0.01	2,102	0:1	0
1055	23,700	1	0.01	23,700	0.01	2,102	0:1	0
1056	24,000	1	0.01	24,000	0.01	2,102	0:1	0
1057	24,600	1	0.01	24,600	0.01	2,102	0:1	0
1058	24,900	2	0.01	49,800	0.02	2,102	0:2	0
1059	25,050	1	0.01	25,050	0.01	2,102	0:1	0
1060	25,200	1	0.01	25,200	0.01	2,102	0:1	0
1061	25,650	2	0.01	51,300	0.02	2,102	0:2	0
1062	25,950	1	0.01	25,950	0.01	2,102	0:1	0
1063	26,100	2	0.01	52,200	0.02	2,102	0:2	0
1064	26,250	1	0.01	26,250	0.01	2,102	0:1	0
1065	26,700	2	0.01	53,400	0.02	2,102	0:2	0
1066	27,000	3	0.02	81,000	0.04	2,102	0:3	0
1067	27,150	1	0.01	27,150	0.01	2,102		