



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 "Rataveer 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 "Rataveer 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 "Rataveer 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 "Rataveer 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 Vadiwadi, Vadodara- 390 023, Gujarat, India
Contact Person: Prerana Rajeshbhai Trivedi, Company Secretary and Compliance Officer; **E-mail:** cs@rataveer.com; **Telephone:** +91 8487878075; **Website:** www.rataveer.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") AGGREGATING UP TO ₹ 1,650.32 MILLION COMPROMISING A FRESH ISSUANCE OF UP TO 13,800,000 EQUITY SHARES AGGREGATING UP TO ₹ 1,352.40 MILLION BY OUR COMPANY ("FRESH OFFER") AND AN OFFER FOR SALE OF UP TO 3,040,000 EQUITY SHARES AGGREGATING 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

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

Particulars	P/E at the Floor Price	P/E at the Cap Price
Market Capitalisation to Revenue from Operation (FY 2023)	0.94	0.99
Market Capitalisation to Tangible Assets (FY 2023)	4.72	4.97
Enterprise Value/EBITDA (FY 2023)	14.48	15.00
P/E Ratio	12.81	13.50

9. Our Company will not receive any proceeds from the Offer for Sale portion, and the Promoter Selling Shareholder shall be entitled to the Offer

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

BID/ISSUE PERIOD

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 having been received from domestic Mutual Funds at or above the Anchor Investor Allocation 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 being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) were 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 RILs using UPI mechanism), if applicable, in which the corresponding Bid Amounts were blocked by the SCSBs 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 Price 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:

Sr. 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

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
1	150	15,53,736	92.37	23,30,60,400	74.84	150	5:214	54,44,550
2	300	65,670	3.90	1,97,01,000	6.33	150	5:214	2,30,100
3	450	20,114	1.20	90,51,300	2.91	150	5:214	70,500
4	600	10,144	0.60	60,86,400	1.95	150	5:214	35,550
5	750	6,613	0.39	49,59,750	1.59	150	5:214	23,100
6	900	4,217	0.25	37,95,300	1.22	150	5:214	14,850
7	1050	3,976	0.24	41,74,800	1.34	150	5:214	13,950
8	1200	1,743	0.10	20,91,600	0.67	150	5:214	6,150
9	1350	820	0.05	11,07,000	0.36	150	5:214	2,850
10	1500	3,314	0.20	49,71,000	1.60	150	5:214	11,550
11	1650	575	0.03	9,48,750	0.30	150	5:214	1,950
12	1800	850	0.05	15,30,000	0.49	150	5:214	3,000
13	1950	10,222	0.61	1,99,32,900	6.40	150	5:214	35,850
14		2996 Allottees from Serial no 2 to 13 Additional 1 (one) share				1	50:2996	50
Total		16,81,994	100.00	31,14,10,200	100.00			58,94,000

B. Allotment to Non-Institutional Bidders (more than ₹ 2 lakhs upto ₹ 10 lakhs (after Rejections) (including ASBA Applications)

The Basis of Allotment to the Non-Institutional Bidders (more than ₹ 2 lakhs upto ₹ 10 lakhs), who have bid at the Issue Price of Rs. 98 per Equity Share, was finalized in consultation with NSE. The Category has been subscribed to the extent of 143.56 times. The total number of Equity Shares Allotted in this category is 8,42,000 Equity Shares to 400 successful Non-Institutional Bidders. The category-wise details of the Basis of Allotment are as under: (Sample)

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	2,100	50429	92.80	10,59,00,900	87.61	2,100	2:271	7,81,200
2	2,250	1411	2.60	31,74,750	2.63	2,171	10:1411	21,710
3	2,400	332	0.61	7,96,800	0.66	2,171	2:332	4,342
4	2,550	131	0.24	3,34,050	0.28	2,171	1:131	2,171
5	2,700	113	0.21	3,05,100	0.25	2,171	1:113	2,171
6	3,000	308	0.57	9,24,000	0.76	2,171	2:308	4,342
7	3,150	79	0.15	2,48,850	0.21	2,171	1:79	2,171
8	4,200	124	0.23	5,20,800	0.43	2,171	1:124	2,171
9	4,500	128	0.24	5,76,000	0.48	2,171	1:128	2,171
10	5,100	341	0.63	17,39,100	1.44	2,171	3:341	6,513
11	10,200	227	0.42	23,15,400	1.92	2,171	2:227	4,342
501	2,850	59	0.11	1,68,150	0.14	2,171	0:59	0
502	3,300	37	0.07	1,22,100	0.10	2,171	0:37	0
503	3,450	10	0.02	34,500	0.03	2,171	0:10	0
504	3,600	38	0.07	1,36,800	0.11	2,171	0:38	0
505	3,750	33	0.06	1,23,750	0.10	2,171	0:33	0
506	3,900	29	0.05	1,13,100	0.09	2,171	0:29	0
507	4,050	37	0.07	1,49,850	0.12	2,171	0:37	0
508	4,350	16	0.03	69,600	0.06	2,171	0:16	0
509	4,650	14	0.03	65,100	0.05	2,171	0:14	0
510	4,800	18	0.03	86,400	0.07	2,171	0:18	0
511	4,950	38	0.07	1,88,100	0.16	2,171	0:38	0
512	5,250	55	0.10	2,88,750	0.24	2,171	0:55	0
513	5,400	13	0.02	70,200	0.06	2,171	0:13	0
514	5,550	9	0.02	49,950	0.04	2,171	0:9	0
515	5,700	2	0.00	11,400	0.01	2,171	0:2	0
516	5,850	8	0.01	46,800	0.04	2,171	0:8	0
517	6,000	58	0.11	3,48,000	0.29	2,171	0:58	0
518	6,150	12	0.02	73,800	0.06	2,171	0:12	0
519	6,300	18	0.03	1,13,400	0.09	2,171	0:18	0
520	6,450	2	0.00	12,900	0.01	2,171	0:2	0
521	6,600	5	0.01	33,000	0.03	2,171	0:5	0
522	6,750	11	0.02	74,250	0.06	2,171	0:11	0