

# IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS



(Please scan this QR code to view the RHP)

This is an abridged prospectus containing salient features of the Red Herring Prospectus of Ratnaveer Precision Engineering Limited dated August 22, 2023 filed with the Registrar of Companies, Ahmedabad at Gujarat (the "RHP" or "Red Herring Prospectus"). You are encouraged to read greater details available in the RHP, which is available at <https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=3&ssid=15&smid=11>. Unless otherwise specified all capitalised terms used herein and not specifically defined bear the same meaning as ascribed to them in the RHP. This abridged prospectus is not for distribution outside of India.

**THIS ABRIDGED PROSPECTUS CONSISTS OF FOUR PAGES OF BID CUM APPLICATION FORM ALONG WITH INSTRUCTIONS AND EIGHT PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**



**RATNAVEER PRECISION ENGINEERING LIMITED**  
Corporate Identity Number: U27108GJ2002PLC040488; Date of Incorporation: February 20, 2002

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Plot no. E-77, G.I.D.C., Savli (Manjusar), Vadodara - 391 775, Gujarat, India.	Office No. 703 & 704, Ocean Building, 7th Floor, Vikram Sarabhai Campus, Genda Circle Vadiwadi, Vadodara - 390 023, Gujarat, India	Prerana Rajeshbhai Trivedi <i>Company Secretary and Compliance Officer</i>	<b>Email:</b> cs@ratnaveer.com <b>Telephone:</b> +91 8487878075	www.ratnaveer.com

**THE PROMOTER OF OUR COMPANY IS VIJAY RAMANLAL SANGHAVI**

## DETAILS OF OFFER TO PUBLIC

Type of Offer	Fresh Issue Size	Offer for Sale size	Total Offer Size	Offer under Regulation 6(1) of the SEBI ICDR Regulations	Share Reservation among QIBs, NIBs & RIBs		
					QIBs	NIBs	RIBs
Fresh Issue & Offer for Sale	Up to 13,80,000 Equity Shares aggregating up to ₹ [●] Million	Up to 3,04,000 Equity Shares aggregating upto ₹ [●] Million	Up to ₹ [●] Million	The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For details in relation to share reservation among QIBs, NIBs, RIBs, see "Offer Structure" on page 377 of the RHP	Not more than 50% of the Offer	Not less than 15% of the Offer	Not less than 35% of the Offer

The Equity Shares are proposed to be listed on National Stock Exchange of India Limited ("NSE") (Designated Stock Exchange) and BSE Limited ("BSE").

## DETAILS OF OFFER FOR SALE BY PROMOTER SELLING SHAREHOLDER

NAME OF THE SELLING SHAREHOLDER	TYPE OF SELLING SHAREHOLDER	NO. OF SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹ PER EQUITY SHARE) *
Vijay Ramanlal Sanghavi	Promoter	Up to 3,04,000 Equity Shares	Nil

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

## PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES

Price Band*	₹ 93/- per Equity Share to ₹ 98/- per Equity Share of face value of ₹ 10/- each.
Minimum Bid Lot Size	150 Equity Shares
Bid/Offer Opens On**	Monday, September 04, 2023
Bid/Offer Closes On^	Wednesday, September 06, 2023
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or before Monday, September 11, 2023
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account†	On or before Tuesday, September 12, 2023
Credit of Equity Shares to demat accounts of Allottees	On or before Wednesday, September 13, 2023
Commencement of trading of the Equity Shares on the Stock Exchange	On or before Thursday, September 14, 2023

\* For details of the Price Band and basis for offer price, please refer to the price band advertisement and the section titled "Basis for Offer Price" on page 128 of the RHP.

\*\* Our Company and the Promoter Selling Shareholder in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date i.e. Friday, September 01, 2023.

^UPI mandate end time and date shall be at 5.00 PM on Bid/Offer Closing Date

#In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, 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, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 in case of delays in resolving investor grievances in relation to blocking/ unblocking of fund and the provisions shall also be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable. The BRLM shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021, SEBI circular dated April 20, 2022 and SEBI circular dated May 30, 2022 shall be deemed to be incorporated in the agreements entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The Equity Shares offered have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

**IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS****THE WEIGHTED AVERAGE COST OF ACQUISITION OF ALL EQUITY SHARES TRANSACTED IN THE PRECEDING 18 MONTHS FROM THE DATE OF THE RED HERRING PROSPECTUS**

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 18 months	40.97	2.39	0-575

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

**RISKS 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 the Equity Shares is ₹ 10/- each and the Floor Price, the Cap Price, the Offer Price or the Price Band (determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLM and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Offer Price" on page 128 of the RHP) 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 frequency of trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

Investments 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 this Offer including the risks involved. The Equity Shares issued 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 Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 32 of the Red Herring Prospectus and page 16 of this Abridged Prospectus.

**PROCEDURE**

You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the Stock Exchanges, Syndicate Members, Registrar to the Offer, Registrar and Share Transfer Agents ("RTAs"), Collecting Depository Participants ("CDPs"), Registered Brokers, Banker to the Offer, Investors' Associations or Self Certified Syndicate Banks ("SCSBs").

If you wish to know about processes and procedures applicable to the Offer, you may request for a copy of the RHP and/or the General Information Document (GID) from the BRLM or download it from the websites of NSE and BSE at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com), respectively and the website of the BRLM at [www.unistonecapital.com](http://www.unistonecapital.com).

**PRICE INFORMATION OF THE BOOK RUNNING LEAD MANAGER**

Sr. No.	Issue Name	Issue Size (in Lakhs)	Issue price	Listing date	Opening price on listing date	+/- % change in closing price, +/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1	Likhitha Infrastructure Limited	6120.00	120	October 15, 2020	136.60	16.14%, [10.22%]	41.43%, [23.74%]	170.87%, [24.84%]
2	Siddhika Coatings Limited	469.68	57	April 7, 2021	56.95	0.88%, [0.02%]	21.05%, [7.18%]	62.72%, [20.05%]
3	Bombay Metrics Supply Chain Limited	428.54	93	October 12, 2021	103.20	28.35%, [0.62%]	59.09%, [1.22%]	329.09%, [-2.57%]
4	Sigachi Industries Limited	12,542.85	163	November 15, 2021	603.75	150.80%, [-4.90%]	96.26%, [-4.18%]	65.28%, [-12.85%]
5	HP Adhesives Limited	12,596.33	274	December 27, 2021	334.95	42.34%, [0.14%]	38.21%, [0.39%]	31.30%, [-7.34%]
6	Integrated Personnel Services Limited	1,274.40	59	November 11, 2022	66.50	37.63% [0.80%]	25.68% [-2.49%]	21.80% [-0.19%]
7	All E Technologies Limited	4,377.60	90	December 21, 2022	125.00	23.72% [-0.94]	2.94% [-6.00]	17.17% [3.06%]
8	Global Surfaces Limited	15,498	140	March 23, 2023	163.00	54.64% [3.90%]	43.32% [10.42%]	-
9	MOS Utility Limited	4,996.54	76	April 18, 2023	90.00	39.47% [2.66%]	15.39% [11.62%]	-
10	Sahana System Limited	3,273.75	135	June 12, 2023	163.00	8.22% [4.21%]	-	-
11	Sangani Hospitals Limited	1,516.80	40	August 17, 2023	44.00	-	-	-

Notes:

1. Issue Size derived from Prospectus/final post issue reports, as available.

2. Source: [www.nseindia.com](http://www.nseindia.com) for the price information

3. Wherever 30th/90th/180th calendar day from the listing date is a holiday, the closing date of the next trading day has been considered

4. The Nifty 50 index is considered as the benchmark index

For further details, please refer "Other Regulatory and Statutory Disclosures - Price information and track record of past issues handled by the Book Running Lead Manager" on page 364 of the RHP.

**BOOK RUNNING LEAD MANAGERS**

**Unistone Capital Private Limited**

Tel: +91 98200 57533 E-mail: [mb@unistonecapital.com](mailto:mb@unistonecapital.com)

Investor Grievance E-mail Id: [compliance@unistonecapital.com](mailto:compliance@unistonecapital.com)

Name of Registrar to the Offer	Link Intime India Private Limited Tel: +91 022 4918 6200 E-mail: <a href="mailto:ratnaveerprecision.ipo@linkintime.co.in">ratnaveerprecision.ipo@linkintime.co.in</a> Investor grievance E-mail: <a href="mailto:ratnaveerprecision.ipo@linkintime.co.in">ratnaveerprecision.ipo@linkintime.co.in</a>
Name of Statutory Auditor	M/s. Pankaj R. Shah & Associates, Chartered Accountants,

## IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

Name of Credit Rating Agency and the rating or grading obtained, if any	Not Applicable
Name of Debenture Trustee	Not Applicable
Self-Certified Syndicate Banks	The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website 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 at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than an RIB using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the ASBA Forms, is available 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> , and at such other websites as may be prescribed by SEBI from time to time.
Non-Syndicate Registered Brokers	You can submit Bid cum Application Forms in the Issue to Non-Syndicate Registered Brokers at the Non Syndicate Broker Centres For further details, see section titled "Issue Procedure" beginning a page 381 of the RHP.
Details regarding website address(es)/ link(s) from which the investor can obtain a list of RTAs, CDPs and stock brokers who can accept applications from investors, as applicable:	The list of the RTAs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at <a href="http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx">http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx</a> and <a href="http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm">http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm</a> , respectively, as updated from time to time. The list of the CDPs eligible to accept ASBA Forms from Bidders (other than RIBs) at the Designated CDP Locations and on the website of NSE at <a href="http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm">http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm</a> , or such other websites, as updated from time to time. For further details, see "Offer Procedure" on page 381 of the RHP.

### PROMOTERS OF OUR COMPANY

Sr. No.	Name	Individual/ Corporate	Experience & Educational Qualification
1.	Vijay Ramanlal Sanghavi	Individual	Vijay Ramanlal Sanghavi is the Chairman, Managing Director and Chief Financial Officer of our Company. He has been associated with our Company since its incorporation. He holds a bachelor degree in Commerce from the MS University, Baroda. He has over two decades of experience in ferrous and non-ferrous metal industries. He has been associated with the Company since its incorporation and has been actively involved in the operations of the Company. He is in-charge of the finance and marketing functions in the Company and also overviews production, Research & Development and related management of the Company.

### OUR BUSINESS OVERVIEW AND STRATEGY

**Company Overview:** We are a stainless steel ("SS") product manufacturer focused on producing finished sheets, washers, solar roofing hooks, pipes and tubes. Our products find application across various industries including automotive, solar power, wind energy, power plants, oil & gas, pharmaceuticals, etc. Our products are used in both commercial and residential sector and are sold within India and overseas.

**Product Offerings:** We manufacture SS finishing sheets, SS washers and SS solar mounting hooks at our Unit I and SS pipes & tubes at our Unit II. Unit III and Unit IV are dedicated for the backward integration process. Unit III is the melting unit where we melt steel scrap and turn it into steel ingots and Unit IV is the rolling unit where flat ingots are further processed to turn them into SS sheets which are the raw material for SS washers.

**Geographies Served:** We have a diverse base of customers present in India, Germany, UK, Spain, Netherland, as of March 31, 2023.

**Key Performance Indicators:**

(in ₹ Million, except percentages)

Particulars	For the Fiscal		
	2023	2022	2021
Revenue From operations (₹ in Millions)	4,797.48	4,269.38	3,596.63
Total revenue (₹ in Millions)	4,811.45	4,284.72	3,640.51
Gross Profit (₹ in Millions)	569.21	414.96	321.20
Gross margin (%)	11.83%	9.68%	8.82%
EBITDA (₹ in Millions)	470.22	290.59	243.21
EBITDA Margin (%)	9.80%	6.81%	6.76%
Profit/(loss) after tax for the year/ period (₹ in Millions)	250.44	94.76	54.59
Net profit Ratio/ Margin (%)	5.22%	2.22%	1.52%
Return on Equity (ROE) (%)	29.12%	15.46%	10.15%
Debt To Equity Ratio	2.17	2.89	2.67
Debt Service Coverage Ratio	25.26	13.14	6.27
Interest Coverage Ratio	3.83	2.49	2.02
ROCE (%)	12.62%	9.67%	10.33%
Current Ratio	1.34	1.24	1.24
Net Capital Turnover Ratio	5.80	8.35	8.70
Return on Net Worth	29.12%	15.46%	10.15%

Notes:

a) As certified by M/s Pankaj R. Shah & Associates, Chartered Accountants pursuant to their certificate dated July 14, 2023. The Audit committee in its resolution dated June 16, 2023 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of this Red Herring Prospectus other than as disclosed in this section. b) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements. c) Gross Profit is calculated as Total Revenue less Cost of Materials consumed, Purchase of Traded goods, Changes in inventories of finished goods and work-in-progress and Direct Expenses related to production. d) Gross margin refers to gross profit as a % of total revenues earned during a financial year. e) EBITDA refers to earnings before interest, taxes, depreciation, gain or loss from discontinued operations and exceptional items. EBITDA excludes other income but includes reversal of provision of doubtful debts. f) EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period. g) Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by our total revenue. h) Debt Service Coverage Ratio is Earning available for debt service holder calculated by reducing any gain from sale or disposal of fixed assets and then dividing the same by Debt service i.e all the current maturities of borrowings. i) Return on equity (RoE) is equal to profit for the year divided by the total equity during that period and is expressed as a percentage. j) Debt to equity ratio is calculated by dividing the debt (i.e., borrowings (current and non-current) and current maturities of long-term borrowings) by total equity (which includes issued capital and all other equity reserves). k) Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing cash profit after tax plus interest payment by interest payment. l) RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided by total

## IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

equity plus total debt and deferred tax liabilities. m) Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities. n) Net Capital Turnover Ratio or Working Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities). o) Return on Net Worth (RoNW) is a measure of profitability (expressed in percentage) and is defined as net profit after tax attributable to our equity shareholders divided by our Net Worth (total shareholders' equity) for the year. "Net Worth" is defined as the aggregate of share capital and other equity.

### Operational KPIs for the Company

Sr No.	Metric	For the Fiscal		
		2023	2022	2021
1	Total production (MT)	19030.38	19747.20	19711.98
2	Power and fuel cost/ MT. (Rs)	2096.90	2180.99	1762.68
3	Labours per /MT	0.18	0.21	0.24
4	Backward integration of raw material process/ MT (Rs)	0.03	0.03	0.03

Note:

- Total production in metric tons (MT) refers to the total amount of a particular product that has been produced over a specific period of time, measured in metric tons (1 metric ton = 1,000 kilograms).
- Power and Fuel Cost per metric ton is calculated by dividing the total cost of energy (power and fuel) by total production of goods (in metric ton) for the period.
- Labours per metric ton is calculated by dividing the total production in metric ton for the period by total number of labours used in the production.
- Backward integration of raw materials per metric ton (MT) refers to a business strategy in which a company takes control of the production of raw materials used in the production of its products. This metric is calculated by dividing Backward integration cost by total units of goods produced.

**Client Profile or Industries Served:** Our products find application across various industries including automotive, solar power, wind energy, power plants, oil & gas, pharmaceuticals, sanitary & plumbing, instrumentation, electro mechanics, architecture, building & construction, electrical appliances, transportation, kitchen appliances, chimney liners, etc. Our products are used in both commercial and residential industry and are sold within and outside India. Further, the contribution of our Company's customer vis-à-vis the revenue from operations respectively as of for the fiscal 2023, 2022 and 2021 is as follows:

Particulars	Top Customers as a percentage (%) of revenues		
	Fiscal 2023	Fiscal 2022	Fiscal 2021
Top5	40.68%	30.32%	26.35%
Top10	49.62%	38.84%	35.35%

**Intellectual Property:** Our company uses the logo 'RATNAVEER' which it has applied registration under the Trademark Act, 1999 under class 6. As on the date of the RHP, we do not have any trademarks registered or under the process of registration at the registry of trademarks (except as disclosed above). For further details, see "Our Business- Intellectual Property" on page 209 of the RHP.

**Manufacturing Plant:** We operate out of four manufacturing units, out of which two (Unit-I and Unit-II) are located at GIDC, Savli, Vadodara, Gujarat, one (Unit-III) is located at Waghodia, Vadodara, Gujarat and the other one (Unit-IV) is located at GIDC, Vatva, Ahmedabad, Gujarat.

**Market Share:** We are one of the few companies who has a backward integration model (Source: D&B Report). This backward integration model is one of our major strengths and has helped us in maximising the returns on our investments. While our two units (Unit I and II) are dedicated for manufacturing the products which are offered to our customers, the other two units (Unit III and IV) are dedicated towards processing the by products generated in manufacturing our products and converting it back into the raw material for our products.

**Employee Strength:** As of June 30, 2023, we had an employee base of 151 employees. For details see "Our Business – Employees" on page 208 of the RHP.

## BOARD OF DIRECTORS

Sr. No.	Name and Designation	Experience & Educational Qualification	Directorships in other Companies
1.	<b>Vijay Ramanlal Sanghavi</b> <b>Designation:</b> Chairperson & Managing Director	Vijay Ramanlal Sanghavi is the Chairman, Managing Director and Chief Financial Officer of our Company. He has been associated with our Company since its incorporation. He holds a bachelor degree in Commerce from the MS University, Baroda. He has over two decades of experience in ferrous and non-ferrous metal industries. He has been associated with the Company since its incorporation and has been actively involved in the operations of the Company. He is in-charge of the finance and marketing functions in the Company and also overviews production, Research & Development and related management of the Company.	<b>Public Limited Companies:</b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b>Private Limited Companies:</b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b>Foreign Companies:</b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b>Limited Liability Partnerships:</b> <ul style="list-style-type: none"> <li>Nil</li> </ul>
2.	<b>Babulal SohanlalChaplot</b> <b>Designation:</b> Wholtime Director	Babulal SohanlalChaplot is the Whole time Director of our Company. He holds a bachelor degree in engineering from the University of Baroda. He has over four decades of experience and has worked in different sectors such as metals, agriculture, automobile etc. He has been associated with our Company since past fifteen years and has been acting as a Director on the Board since 2011. He oversees production as well as commercial functions.	<b>Public Limited Companies:</b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b>Private Limited Companies:</b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b>Foreign Companies:</b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b>Limited Liability Partnerships:</b> <ul style="list-style-type: none"> <li>Nil</li> </ul>
3.	<b>Binita Verdia</b> <b>Designation:</b> Non-Executive Non-Independent Director	Binita Verdia is a Non-Executive Director of our Company. She has been associated with our Company since September 07, 2022. She is a Ph.D. holder in Botany specialization in plant tissue culture and its applications from Maharaja Sayaji Rao University of Vadodara, Gujarat. She also holds a degree of Master of Science from Maharaja Sayaji Rao University of Vadodara, Gujarat. She has over two decades of experience Corporate & NGO Management, CSR front, Research and learning nuances of ESG component.	<b>Public Limited Companies:</b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b>Private Limited Companies:</b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b>Foreign Companies:</b> <ul style="list-style-type: none"> <li>Nil</li> </ul> <b>Limited Liability Partnerships:</b> <ul style="list-style-type: none"> <li>Nil</li> </ul>



# IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

Sr. No.	Name and Designation	Experience & Educational Qualification	Directorships in other Companies
4.	<b>Ankita Dineshbhai Soni</b> <b>Designation:</b> Non-executive Independent Director	Ankita Dineshbhai Soni is an Independent Director of our Company. She has been associated with our Company since December 24, 2018. She is an Associate member of the Institute of Company Secretaries of India and a practicing company secretary. She also holds a bachelor degree in law from Gujarat University. She has over five years of experience in secretarial and capital markets compliance.	<b>Public Limited Companies:</b> ▪ Nil <b>Private Limited Companies:</b> ▪ Lucent Mines and Mineral Private Limited <b>Foreign Companies:</b> ▪ Nil <b>Limited Liability Partnerships:</b> ▪ Nil
5.	<b>BharatkumarKanchanlal Shah</b> <b>Designation:</b> Non-executive Independent Director	BharatkumarKanchanlal Shah is an Independent Director of our Company. He has been associated with our Company since April 16, 2022. He is a Fellow member of Institute of Chartered Accountant of India with over 20 years' experience and versatile knowledge in the areas of merchant banking and financial advisory services. He has handled consortium financing for large-scale industries. He has considerable understanding of the Indian securities market and banking arena.	<b>Public Limited Companies:</b> ▪ Jagsukhkarak Housing Developers Limited <b>Private Limited Companies:</b> ▪ Nirbhay Developers Private Limited ▪ Nirbhay Projects Private Limited ▪ Nirbhay Capital Services Private Limited ▪ Nirbhay Procon Private Limited ▪ Nirbhay Infracon Private Limited ▪ Scopgenx Private Limited ▪ Nirbhay Consultants Private Limited ▪ ShrinilkanthvarmijiConsultech Private Limited <b>Foreign Companies:</b> ▪ Nil <b>Limited Liability Partnerships:</b> ▪ Shri Varniji Exim LLP
6.	<b>Sreeram Vishwanathan Rishinaradamangalam</b> <b>Designation:</b> Non-executive Independent Director	Sreeram Vishwanathan Rishinaradamangalam is an Independent Director of our Company. He has been associated with our Company since April 16, 2022. He has a bachelor degree in commerce from the University of Madras. He is a Fellow Member of Institute of Chartered Accountant of India and is also a qualified Company Secretary. He is a practicing chartered accountant and has over 30 years of experience in audit and accountancy. He has carried out various proprietary audits and has conducted supplementary audits of public sector undertakings. Prior to starting his own practice he has worked with the Indian Audit and Accounts Department as well as with the accounts department of a leading listed pharmaceutical company.	<b>Public Limited Companies:</b> ▪ Nil <b>Private Limited Companies:</b> ▪ Nil <b>Foreign Companies:</b> ▪ Nil <b>Limited Liability Partnerships:</b> ▪ Nil

For further details in relation to our Board of Directors, see "Our Management" beginning on page 223 of the RHP.

## OBJECTS OF THE OFFER

The Offer comprises the Offer for Sale and the Fresh Issue.

### Offer for Sale

The proceeds of the Offer for Sale shall be received by the Promoter Selling Shareholder Vijay Ramanlal Sanghavi. Our Company will not receive any proceeds from the Offer for Sale. The Promoter Selling Shareholder will be entitled to the proceeds from the Offer for Sale, net of respective portion of the Offer related expenses. For further details, please see "Objects of the Offer - Offer Expenses" on page 118 of the RHP.

### Fresh Issue

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Funding working capital requirements of our Company; and
2. General corporate purposes

The Net Proceeds are proposed to be used in the manner set out in in the following table.

Sr. No.	Particulars	Amount (₹ in Million)
1	Funding working capital requirements of our Company	850.00 <sup>(1)</sup>
2	General Corporate Purposes <sup>(2)</sup>	●
	<b>Total</b>	●

<sup>(1)</sup> Subject to finalization of basis of allotment

<sup>(2)</sup> The amount does not exceed 25% of the gross Offer Proceeds

## IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

### Means of Finance

The fund requirements for the objects of the offer are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) the SEBI ICDR Regulations through verifiable means towards at least seventy five percent of the stated means of finance, excluding the amount to be raised through the fresh issue or through existing identifiable internal accruals.

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilisation of issue proceeds of past public offers / rights issues, if any, of our Company in the preceding 10 years:** Not Applicable.

**Terms of Issuance of Convertible Security, if any:** Not Applicable.

**Name of Monitoring Agency:** CARE Ratings Limited.

**Shareholding Pattern as on the date of the RHP:**

Category of Shareholder	Pre Issue number of shares	% Holding of Pre Issue
Promoter and Promoter Group	29,945,576	86.30
Public	4,753,464	13.70
Non-Promoters-Non Public	-	-
<b>Total</b>	<b>34,699,040</b>	<b>100.00</b>

**Number / amount of equity shares proposed to be sold by Promoter Selling Shareholder:**

Sr No.	Name of Promoter Selling Shareholder	No. of Equity Shares offered in Offer for Sale
1.	Vijay Ramanlal Sanghavi	Up to 3,040,000 Equity Shares

## SUMMARY OF RESTATED FINANCIAL STATEMENTS

(Amount ₹ in Million)

Particulars	For the Fiscal		
	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from operations (Net)	4,797.48	4,269.38	3,596.63
Net Profit/(Loss) before tax and extraordinary items	307.12	134.51	95.92
Net Profit/(Loss) after tax and extraordinary items	250.44	94.76	54.59
Equity Share Capital	348.94	42.62	42.62
Reserves and Surplus	711.60	617.12	523.15
Net Worth	1,060.54	659.74	565.77
Basic EPS (In ₹)	7.26	2.75	1.59
Diluted EPS (In ₹)	7.26	2.75	1.59
Return on Net Worth (%)	29.12%	15.46%	10.15%
Net asset value per share-(Face Value of ₹ 10 Each)	30.74	19.20	16.21

## INTERNAL RISK FACTOR

Below mentioned risks are the top 5 risk factors as per the RHP:

- 1) We do not have long-term agreements with our suppliers for raw materials and an in ability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a negative impact on our business, results of operations, financial condition and cash flows.
- 2) 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.
- 3) We are dependent on a few customers for a major part of our revenues. Further we do not enter in to long-term arrangements with our customer sand any failure to continue our existing arrangements could adversely affect our business and results of operations.
- 4) A significant portion of our domestic sales are derived from the western and north zone and any adverse developments in this market could adversely affect our business.
- 5) 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.

Due to character limits prescribed in the applicable regulations, entire text of the Risk Factors has not been incorporated here. Please refer the section titled 'Risk Factors' on page 32 of the RHP for further details.

## SUMMARY OF OUTSTANDING LITIGATIONS CLAIMS AND REGULATORY ACTION

A. A summary of outstanding litigation proceedings as on the date of the Red Herring Prospectus as disclosed in the section titled "Outstanding Litigations and Material Developments" in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Name of the Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoter	Material civil litigations	Aggregate amount involved (INR in Million)
<b>Company</b>						
By the Company	1	Nil	Nil	NA	1	48.06
Against the Company	Nil	21	18	NA	1	197.97
<b>Directors</b>						
By the Directors	1	Nil	Nil	NA	Nil	Nil
Against the Directors	Nil	1	6	NA	Nil	1.16
<b>Promoter</b>						
By the Promoter	Nil	Nil	Nil	NA	Nil	Nil
Against the Promoter	Nil	5	6	Nil	Nil	2.38

As on the date of the Red Herring Prospectus, our Company does not have any subsidiary company.

**B. Brief details of top 5 material outstanding litigations against the Company and amount involved:**

Sr No.	Particulars	Litigation filed by	Current Status	Amount Involved
	Our Company (as Plaintiff) has filed a Commercial Civil Suit No. 12 of 2021 before the Principal Senior Civil Judge & Addl. Chief Judicial Magistrate, Senior Division, Savli, Gujarat, against one S.S. Automation Solutions Private Limited ("Defendant") for recovery of a sum of ₹ 47.47 Million towards unpaid dues for purchase of machinery under Purchase Order No. WASH-MANJ/1142/17-18 dated January 10, 2018, for Auto Sorting, Auto packaging and Palletizing Machine. A Counter claim has been filed by one S.S. Automation Solutions Private Limited (Defendant therein) against our Company in the said Civil Suit No. 12 of 2021 for (i) a sum of ₹ 12.05 Million against our Company towards the balance amount payable under purchase order for machinery manufactured by the Defendant; (ii) claimed damages for a sum of ₹ 8.05 Million; (iii) a further sum of ₹ 0.88 Million towards the rent paid for storing the machinery, the delivery whereof was allegedly wrongfully refused by the Plaintiff from September 2021 to April 2022; and (iv) along with interest thereon at 12% p.a. aggregating to a sum of ₹ 20.98 Million along with interest thereon at 12% p.a. The matter is pending before the Hon'ble Court.	S.S. Automation Solutions Private Limited	Pending	₹20.98 million along with interest thereon at 12% p.a.
	A show cause notice dated January 17, 2011 was issued by the Directorate of Revenue Intelligence, Ahmedabad ("DRI") against our Company, Vijay Sanghavi and Suresh Sanghvi, alleging that the imported goods (Stainless Steel Cold Rolled sheets) falling under CTH 7219 had been diverted without payment of duty and anti-dumping duty under the Advance Authorisation Scheme for manufacture of stainless steel washers, hooks, adaptors, etc. in their factory. By an order in original (No. 255/2014-15) dated January 09, 2015 passed by the Joint Commissioner of Customs (Exports), JNCH, Nhava Sheva, Tal. Uran, Dist. Raigad, the allegations levied against the noticees in the show cause notice were upheld and <i>inter alia</i> (i) our Company was directed to pay ₹ 3.71 Million towards recovery of customs duty payable along with applicable interest under section 28AB of the Customs Act, 1962; (ii) imposed a penalty of ₹ 3.71 Million on our Company; (iii) directed that the sum of ₹3.30 Million deposited by our Company during the investigation be appropriated against the aforesaid demand and interest; (iv) imposed redemption fine of ₹1.20 Million our Company in lieu of confiscation of the goods, i.e. 14,925.00 kgs of raw materials imported by our Company having a total assessable value of ₹ 15.07 Million; (v) imposed a penalty of ₹0.40 Million on Suresh Sanghavi, Chairman of our Company; and (vi) imposed penalty of ₹0.40 Million on Vijay Sanghavi, Managing Director of our Company. Three appeals (Nos. 46 to 48 (Adj-Exp)/2016(JNCH)-A-I) were preferred by our Company, Suresh Sanghavi and Vijay Sanghavi challenging the aforesaid order in original before the Commissioner of Customs (Appeals) JNCH, Nhava Sheva. By and under order in appeal dated April 29, 2016, the aforesaid Commissioner of Customs (Appeals) has set aside the order in original dated January 09, 2015. The Customs department has filed an appeal (No. C/86934/2016) before the Customs, Excise and Service Tax Appellate Tribunal ("CESTAT") against our Company, Vijay Sanghavi and Suresh Sanghvi, challenging the aforesaid order in appeal. The matter is currently pending before the Hon'ble Tribunal.	Directorate of Revenue Intelligence, Ahmedabad	Pending	₹ 8.63 million
	A show cause notice dated January 01, 2014 was issued by the Directorate of Revenue Intelligence, Ahmedabad ("DRI") against our Company and Vijay Sanghvi for allegedly changing classification from declared CTH 72199090 to CTH72192141, demanding and recovery of safeguard duty, appropriation of duty already paid by our Company, recovery of interest and imposition of penalties. By and under an order in original (No. 60/JC-AK/ICD-DASHRATH/O&A/2015) dated April 10, 2015, the Joint Commissioner, Customs, Ahmedabad has <i>inter alia</i> (i) rejected the classification under CTH 72199090 and classified the import of goods under CTH 72191200, 72191300 and 72191400; (ii) confirmed the demand and ordered recovery of safeguard duty for a sum of ₹4.42 Million from our Company and directed that the sum of ₹1.54 Million deposited by our Company during the investigation be appropriated against the aforesaid demand; (iii) directed that the sum of ₹0.05 Million deposited by our Company during the investigation be appropriated against the aforesaid interest; (iv) imposed a penalty of ₹4.42 Million under section 114A of the Customs Act, 1962 on our Company; and (v) imposed a penalty of ₹0.50 Million on our Managing Director, Vijay Sanghvi. An appeal (No. AHM-CUSTOM-000-APP-153-15-16) was preferred by our Company challenging the aforesaid order in original before the Commissioner of Customs (Appeals) Ahmedabad. By and under order in appeal dated April 29, 2016, the aforesaid Commissioner of Customs (Appeals) has set aside the order in original dated April 10, 2015. The Deputy Commissioner of Customs, Vadodra has filed an appeal (No. C/10146/2016) before the Customs, Excise and Service Tax Appellate Tribunal ("CESTAT") challenging the aforesaid order in appeal. By a Final Order dated March 17, 2023, the Hon'ble CESTAT has dismissed the appeal filed by the Deputy Commissioner of Customs.	Directorate of Revenue Intelligence, Ahmedabad	Final order dated March 17, 2023 passed by Hon'ble CESTAT	Nil

<p>A show cause notice dated October 27, 2018 was issued by the Directorate of Revenue Intelligence, Ahmedabad (“DRI”) against our Company and Vijay Sanghavi alleging that the goods (HR SS Coil) exported by one M/s. Bahru did not originate from Malaysia. Due to the misrepresentation by M/s. Bahru, ineligible benefits have been availed by Indian importers (including our Company) with the intent to evade Customs duty. By and under an order in original (No. 30/SA(30)ADG(ADJ.)/DRI,MUMBAI/2019-20) dated September 16, 2019 passed by the Additional Director General (Adjudication), DRI Mumbai, upheld the allegations levied against the noticees in the aforesaid show cause notice and <i>inter alia</i> (i) denied the duty exemption claimed by our Company (ii) confirmed the demand and ordered recovery of differential amount ₹ 4.09 Million on our Company; (iii) imposed a penalty of ₹4.09 Million under section 114A on our Company; (iv) directed confiscation of goods with CIF value of ₹41.13 Million but as the same were not available for confiscation, no redemption fine was levied on our Company; (v) imposed a penalty of ₹0.20 Million under section 112(a) and ₹0.20 Million under section 114AA of the Customs Act, 1962 on Vijay Sanghvi, Director of our Company; and (vi) directed that the sum of ₹6.50 Million deposited by our Company during the investigation be appropriated against the aforesaid demand, interest and penalty. Two appeals (Nos. C/88263/2019 and C/88264/2019) have been preferred by our Company and Vijay Sanghavi challenging the aforesaid order in original before the Customs, Excise and Service Tax Appellate Tribunal (“CESTAT”). The matter is currently pending before the Hon’ble Tribunal.</p>	<p>Directorate of Revenue Intelligence, Ahmedabad</p>	<p>Pending</p>	<p>₹ 8.19 million</p>
<p>A show cause notice dated July 27, 2018, was issued by the Directorate of Revenue Intelligence, Ahmedabad (“DRI”) against our Company and Vijay Sanghavi alleging wrongful exemption claimed from levy of CVD on the goods (HR/CR Stainless steel flat products) imported from the People’s Republic of China with the intent to evade Customs duty. By and under an order in original (No. AHM-CUSTOM-000-COM-001-19-20) dated May 10, 2019, the Principal Commissioner of Customs, Ahmedabad has upheld the allegations levied against the noticees in the aforesaid show cause notice and <i>inter alia</i> (i) ordered the imposition of CVD under section 9 of the Customs Tariff Act, 1975 on our Company in respect of the seven bills of entry under which “CR Stainless Steel Coils Grade 304” has been imported by our Company under Advance Authorisation, during the period 07.09.2017 and 12.10.2017; (ii) confirmed the demand and ordered recovery of ₹9.15 Million from our Company towards recovery of CVD payable along with applicable interest under section 28AA of the Customs Act, 1962; (iii) directed that the sum of ₹3.95 Million deposited by our Company during the investigation be appropriated against the aforesaid demand; (iv) imposed a penalty of ₹4.09 Million under section 114A on our Company (v) directed confiscation of goods with CIF value of ₹44.94 Million but as the same were not available for confiscation, no redemption fine was levied; (vi) imposed penalty of ₹9.15 Million under section 114A on our Company; (vii) imposed penalty of ₹0.50 Million under section 114AA on our Company; (viii) imposed penalty of ₹0.50 Million under section 112 (a) and (b) and penalty of ₹0.50 Million under section 114A of the Customs Act, 1962 on Mr. Vijay Sanghvi, Director of our Company. Two appeals (Nos. C/11957/2019 and C/11958/2019) have been preferred by our Company and Vijay Sanghavi challenging the aforesaid order in original before the Customs, Excise and Service Tax Appellate Tribunal (“CESTAT”). The matter is currently pending before the Hon’ble Tribunal.</p>	<p>Directorate of Revenue Intelligence, Ahmedabad</p>	<p>Pending</p>	<p>₹19.31 million</p>

**C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoter in last 5 financial years including outstanding action, if any:**  
Nil

**D. Brief details of outstanding criminal proceedings against the Promoter:** Nil

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” on page 341 of the RHP.

#### **ANY OTHER IMPORTANT INFORMATION AS PER BRLMS/COMPANY - NIL**

##### **DECLARATION BY OUR COMPANY**

We hereby declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Red Herring Prospectus are true and correct.

##### **DECLARATION BY THE PROMOTER SHAREHOLDERS**

The Promoter Selling Shareholder, hereby certifies and declares that all statements, disclosures, and undertakings made or confirmed by him in the Red Herring Prospectus about or specifically in relation to him and portion of the Equity Shares being offered by him in the Offer are true and correct. He assumes no responsibility, as a Promoter Selling Shareholder, for any other statements, disclosure or undertakings including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other person(s) in the Red Herring Prospectus.