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RAMDEVBABA SOLVENT LIMITED

Corporate Identity Number (CIN): U01112MH2008PLC188449

Our Company was originally incorporated as ‘Ramdevbaba Solvent Private Limited’ as a private limited company under Companies Act, 1956, pursuant to a certificate of incorporation dated November 25, 2008 issued by the Registrar of Companies, Maharashtra at Mumbai. Thereafter, our Company was converted into a public limited company pursuant to a resolution passed by our shareholders at an extra-ordinary general meeting held on December 12, 2023 and a fresh certificate of incorporation dated December 27, 2023 was issued by the Registrar of Companies, Maharashtra at Mumbai consequent upon conversion, recording the change in the name of our Company from ‘Ramdevbaba Solvent Private Limited’ to ‘Ramdevbaba Solvent Limited’. The Company’s Corporate Identity Number is U01112MH2008PLC188449. For details of change in Registered office of our Company, please see “History and Certain Corpoarte Matters” on page 145 of this Draft Red Herring Prospectus.

Registered Office: Bhaiya Building, Anaj Bazar, Itwari, Nagpur 440 002, Maharashtra, India

Corporate Office: Block No. 205 and 206, Honey Kaushalya Tower, Telephone Exchange Chowk, Central Avenue Road, Nagpur 440,008, Maharashtra, India | Tel: 0712-7968 189 | Website: www.ramdevbabasol.com

Contact Person: Pratul Bhalchandra Wate, Company Secretary and Compliance Officer | E-mail: cs@rbsl.co.in

(Please scan the QR code to view the RHP)

OUR PROMOTERS: PRASHANT KISANLAL BHAIYA, NILESH SURESH MOHATA, TUSHAR RAMESH MOHATA, AAYUSH PRASHANT BHAIYA, PRASHANT KISAHNAL BHAIYA (HUF), MOHATA NILESH SURESH (HUF), KISHANLAL PRASHANT (HUF), PRASHANT & AYUSH (HUF) AND PRASHANT PRATEEK (HUF)

PUBLIC ISSUE OF UP TO 59,13,600* EQUITY SHARES OF FACE VALUE ₹ 10 EACH (“EQUITY SHARES”) OF RAMDEVBABA SOLVENT LIMITED (“OUR COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE) (“ISSUE PRICE”), AGGREGATING UP TO ₹ [●] LAKHS (THE “ISSUE”). 3,13,600 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 56,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.73% AND 25.31% RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

*Subject to finalization of basis of allotment

ALLOCATION OF THE ISSUE	
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 3,13,600 EQUITY SHARES OR 5.30% OF THE ISSUE

PRICE BAND: ₹ 80/- TO ₹ 85/- PER EQUITY SHARE

THE FLOOR PRICE IS 8 TIMES THE FACE VALUE AND CAP PRICE IS 8.5 TIMES OF THE FACE VALUE OF THE EQUITY SHARES. BIDS CAN BE MADE FOR A MINIMUM OF 1,600 EQUITY SHARES AND IN MULTIPLES OF 1,600 EQUITY SHARES THEREAFTER. THIS ISSUE IS MADE THROUGH BOOK BUILDING PROCESS, IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE “SEBI (ICDR) REGULATIONS”), AS AMENDED READ WITH RULE 19(2)(B) OF SECURITIES CONTRACT (REGULATION) RULES, 1957, AS AMENDED

ISSUE PROGRAMME

ANCHOR BID OPENS ON FRIDAY, APRIL 12, 2024
OPENS ON: MONDAY, APRIL 15, 2024
CLOSES ON: THURSDAY, APRIL 18, 2024

ASBA*	Simple, Safe, Smart way of Application - Make use of it!!!	*Application Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For further details check the section on ASBA below. Mandatory in Public Issues from January 01, 2016. No cheque will be accepted.	LPI UNIFIED PAYMENTS INTERFACE	UPI – Now mandatory in ASBA for Retail Investors applying through Registered Brokers, DPs & RTAs. Retail Investors also have the options to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. ** Investors are required to ensure that the Bank Account used for applying is linked to their PAN.
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*ASBA has to be availed by all the investors except Anchor Investors (if any). UPI may be availed by RIs.
For details on the ASBA and UPI process, please refer to the details given in ASBA Form and abridged prospectus and also please refer to the section “Issue Procedure” beginning on page 245 of the Red Herring Prospectus. The process is also available on the website of SEBI and Stock Exchanges in the General information Document. ASBA Forms can be downloaded from the website of Emerge platform of NSE (“NSE Emerge” or “Stock Exchange”) and can be obtained from the list of banks that is displaying on website of SEBI at www.sebi.gov.in.
** List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. For the list of UPI Apps and Banks live on IPO, please refer to the link: www.sebi.gov.in. HDFC Bank Limited has been appointed as Sponsor Bank for the Issue in accordance with the requirements of the SEBI Circular dated November 1, 2018, as amended.

RISKS TO INVESTORS:

- Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Issue. Further, our Equity Shares may not result in an active or liquid market and the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Issue Price or at all.
- The Merchant Banker associated with the Issue has handled 01 public issue in the past three years out of which none of the Issues closed below the Issue Price on Listing date.
- The average cost of acquisition of Equity Shares by our Promoters is as follows:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Prashant Kisanlal Bhaiya	20,65,560	6.01
2.	Nilesh Suresh Mohata	35,03,670	5.07
3.	Tushar Ramesh Mohata	37,46,250	4.90
4.	Aayush Prashant Bhaiya	1,54,500	3.33
5.	Prashant Kisaahnlal Bhaiya (HUF)	4,04,000	3.33
6.	Mohata Nilesh Suresh (HUF)	2,79,000	3.33
7.	Kishanlal Prashant (HUF)	1,54,500	3.33

BASIS FOR ISSUE PRICE

The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager on the basis of the key business strengths of our Company. The face value of the Equity Shares is ₹10/- each and the Issue Price is 8.0 times of the face value at the lower end of the Price Band and 8.50 times of the face value at the upper end of the Price Band.

QUALITATIVE FACTORS

- Our Manufacturing Facilities are situated near Nagpur, Maharashtra giving us the strategic advantage to supply and distribute Rice Bran Oil in Maharashtra and DORB across various states in India.
- The ease of availability of rice bran in abundance, which is our main raw material, ensures the smooth operations of our Manufacturing Facilities, and production and sale of our finished products.
- We have integrated operations involving the extraction of oil from bran and refining of the extracted oil enabling us to meet the time, cost efficiency, quality and quantity requirements.
- We have arrangements with other FMCG companies for supply of rice bran oil.
- We have over the years focused immensely on stringent quality control for our products.
- Our Promoters have vast knowledge and experience in the agro, food and refining space. Our Promoters are complemented by a professional management team which shares the same vision and values as them to drive our growth.

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to section titled “Our Business” beginning on page 129 of the Red Herring Prospectus.

QUANTITATIVE FACTORS

Information presented below is derived from our Company’s Restated Financial Statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic and Diluted Earnings / (Loss) Per Share (“EPS”), as adjusted for changes in capital

As per Restated Financial Statements – Post Bonus

Particulars	Basic & Diluted EPS (in ₹)	Weights
March 31, 2023	9.45	3
March 31, 2022	4.79	2
March 31, 2021	4.48	1
Weighted Average	7.07	
For the period from April 01, 2023 to December 31, 2023 (Not annualised)	5.60	

Notes:

- Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.
- Earnings per Equity Share = Profit for the period/year / Weighted average number of equity shares outstanding during the period/year.
- Basic and diluted Earnings per Equity Share are computed in accordance with Accounting Standard 20.
- The basic and diluted Earnings per Equity Share for the current period and previous period/year presented have been calculated/restated after considering the bonus issue.
- The face value of each Equity Share is ₹10/-.

2. Price Earnings Ratio (“P/E”) in relation to Price Band of ₹ 80.00 to ₹ 85.00 per Equity Share

Particulars	(P/E) Ratio at the Floor Price (no. of times)	P/E) Ratio at the Cap Price (no. of times)
Based on Restated Financial Statements		
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-23	8.47	8.99
P/E ratio based on the Weighted Average Basic & Diluted EPS	8.47	8.99

Note: P/E ratio has been computed dividing the price per share by Earnings per Equity Share.

3. Return on Net worth (RoNW)

As per Restated Financial Statements

Particulars	Basic & Diluted EPS (in ₹)	Weights
March 31, 2023	31.46%	3
March 31, 2022	20.90%	2
March 31, 2021	23.97%	1
Weighted Average	26.69%	
For the period from April 01, 2023 to December 31, 2023 (Not annualised)	14.24%	

Note: Return on Net Worth (%) = Profit for the period/ year / Net Worth at the end of the period/year.

4. Net Asset Value (NAV)

As per Restated Financial Statements – Post Bonus

Financial Year	NAV (₹)
March 31, 2023	34.76
March 31,2022	25.31
March 31,2021	20.52
For the period from April 01, 2023 to December 31, 2023 (Not annualised)	46.33
Net Asset Value per Equity Share after the Issue at Floor Price	21.38
Net Asset Value per Equity Share after the Issue at Cap Price	22.72

Notes: Net Asset Value per Equity Share (in ₹) = Net Worth at the end of the period/year / Weighted number of equity shares outstanding at the end of the period/year.

5. Comparison of accounting ratios with listed industry peers

Name of the Company	Revenue from Operations (₹ in lakhs)	Face Value per equity share (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW	NAV per equity share (₹)
Ramdevbaba Solvent Limited	69,775.26	10.00	[●]	9.45	9.45	31.46	34.76
Listed Peers							
BCL Industries Limited	1,81,832.84	1.00	21.15	2.75	2.66	15.19	19.90
Gokul Refoils and Solvent Limited	3,13,656.80	2.00	14.39	2.44	2.44	7.64	33.15
Gujarat Ambuja Exports Limited	4,90,899.00	1.00	10.99	14.40	14.40	14.50	106.15
Kriti Nutrients Limited	78,687.14	1.00	22.33	4.15	4.15	11.70	26.42
Shri Venkatesh Refineries Limited	62,912.23	10.00	5.48	12.96	12.96	24.09	59.79

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports as available of the respective company for the year ended March 31, 2023 submitted to stock exchanges. The financial information of our Company is based on the restated financial information for the year ended March 31, 2023.

Notes:

- P/E Ratio has been computed based on the closing market price of equity shares on NSE on March 27, 2024, divided by the Diluted EPS.
- Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by Average Net worth.

8.	Prashant & Ayush (HUF)	1,50,000	3.33
9.	Prashant Prateek (HUF)	1,47,000	3.33

4. Weighted average cost of acquisition:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)
Weighted average cost of acquisition of primary / new issue of shares in last one (1) year preceding the date of RHP	43.77*
Weighted average cost of acquisition of primary / new issue of shares in last eighteen (18) months preceding the date of RHP	43.77*
Weighted average cost of acquisition of primary / new issue of shares in last three (3) years preceding the date of RHP	26.76*

*Adjusted for split of shares from ₹100 per share to ₹10 per share pursuant to board resolution dated December 31, 2023 and bonus shares allotted in the ratio of two Equity Shares for every one Equity Share held pursuant to board resolution dated September 18, 2023.

Average net worth means the average of the aggregate value of the paid-up share capital and reserves and surplus of the current and previous financial year/period.

- NAV is computed as the net worth at the end of the year attributable to owners of the parent divided by the weighted average number of equity shares outstanding at the end of the year.
- The basic and diluted earnings per share for the Equity Shares of our Company has been presented to reflect the adjustments for split of equity shares and issue of bonus shares.

The face value of our share is ₹10/- per share and the floor price is 8.0 times the face value and cap price is 8.50 times of the face value of the equity shares.

Investor should read the above-mentioned information along with the section titled “Risk Factors” beginning on page 27 of the Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the chapter titled “Restated Financial Statements” beginning on page 186 of the Red Herring Prospectus.

6. Key Performance Indicators (“KPIs”):

Key Performance Indicators of our Company*

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. The key financial and operational metrics set forth below, have been approved and verified by the Audit Committee pursuant to its resolution dated March 29, 2024. Further, the Audit Committee has on March 29, 2024 taken on record that other than the key financial and operational metrics set out below, our Company has not disclosed any other key performance indicators during the three years preceding this Red Herring Prospectus with its investors. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to our Company’s listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Issue Price have been disclosed below. Additionally, the KPIs have been certified by way of certificate dated April 3, 2024 issued by Borkar & Muzumdar, Chartered Accountants, who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to make an assessment of our Company’s performances and make an informed decision.

A list of our KPIs for the nine months ended December 31, 2023 and Financial Years ended March 31, 2023, 2022 and 2021 is set out below:

(₹ in lakhs, unless stated otherwise)

Particulars	For nine months ended December 31, 2023*	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021
Financial				
Revenue from operations ⁽¹⁾	46,359.01	69,775.26	58,287.73	42,392.50
Gross Profit ⁽²⁾	8,382.19	11,173.60	9,505.71	8,155.20
Gross Profit Margin ⁽³⁾	18.08%	16.01%	16.31%	19.24%
EBITDA ⁽⁴⁾	2,178.41	2,515.52	1,946.76	1,650.42
EBITDA Margin ⁽⁵⁾ (in %)	4.70%	3.61%	3.34%	3.89%
Net Profit after tax ⁽⁶⁾	828.90	1300.15	659.15	617.06
Net Profit Margin ⁽⁷⁾ (in %)	1.79%	1.86%	1.13%	1.46%
Return on Net Worth ⁽⁸⁾ (in %)	14.24%	31.46%	20.90%	23.97%
Return on Capital Employed ⁽⁹⁾ (in %)	10.76%	15.26%	14.07%	16.50%
Debt-Equity Ratio ⁽¹⁰⁾	1.46	2.07	1.86	1.58
Total Asset Turnover ⁽¹¹⁾ (in times)	2.35	4.33	5.01	4.68
Days Working Capital ⁽¹²⁾	39	30	30	29

*Not annualized

As certified by Borkar & Muzumdar, Chartered Accountants pursuant to their certificate dated April 3, 2024.

Explanation for the Key Performance Indicators:

KPI	Explanations
Revenue from Operations (₹ in lakhs)	Revenue from Operations is used by our management to track the revenue profile of our business and in turn helps assess the overall financial performance of our Company and size of our business.
Gross Profit (₹ in lakhs)	Gross Profit provides information regarding the efficiency of the production process of our business.
Gross Profit Margin (in %)	Gross Profit Margin is an indicator of the efficiency of the production process of our business.
EBITDA (₹ in lakhs)	EBITDA provides information regarding the operational efficiency of our business.
EBITDA Margin (in %)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Net Profit after tax (₹ in lakhs)	Net Profit after tax provides information regarding the overall profitability of our business.
Net Profit Margin (in %)	Net Profit Margin is an indicator of the overall profitability and financial performance of our business.
Return on Net Worth (in %)	Return on Net Worth provides how efficiently our Company generates profits from shareholders’ funds.
Return on Capital Employed (in %)	Return on Capital Employed provides how efficiently our Company generates earnings from the capital employed in our business.
Debt-Equity Ratio (in times)	Debt- equity ratio is a gearing ratio which compares shareholder’s equity to company debt to assess our company’s amount of leverage and financial stability.
Total Asset Turnover (in times)	Total Asset turnover ratio is indicator of the efficiency with which our Company is able to leverage its assets to generate revenue from operations.
Days Working Capital	Days working capital is a metric that measures how many days it takes our company to transform its working capital into sales cash flows.

The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in “Our Business” and “Management Discussion and Analysis of Financial Condition Results of Operations” on pages 129 and 198, respectively. All such KPIs have been defined consistently and precisely in “Definitions and Abbreviations” on page 4.

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, at least once in a year (or for 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, or until the utilization of Issue Proceeds, whichever is later, on the Stock Exchanges pursuant to the Issue, or for such other period as may be required under the SEBI ICDR Regulations.

Particulars	Ramdevbaba Solvent Limited				BCL Industries Limited			
	Nine months ended December 31, 2023*	Financial Year 2023	Financial Year 2022	Financial Year 2021	Nine months ended December 31, 2023*	Financial Year 2023	Financial Year 2022	Financial Year 2021
Financial								
Revenue from operations	46,359.01	69,775.26	58,287.73	42,392.50	64,418.58	1,81,832.84	1,98,773.70	1,42,722.92
Gross Profit	8,382.19	11,173.60	9,505.71	8,155.20	17,157.03	40,965.62	33,187.04	20,808.88
Gross Profit Margin	18.08%	16.01%	16.31%	19.24%	26.63%	22.53%	16.70%	14.58%
EBITDA	2,178.41	2,515.52	1,946.76	1,650.42	5,670.51	13,027.58	14,569.84	9,661.13
EBITDA Margin (in %)	4.70%	3.61%	3.34%	3.89%	8.80%	7.16%	7.33%	6.77%
Net Profit after tax	828.90	1300.15	659.15	617.06	3,278.14	6,435.45	8,477.38	4,215.33
Net Profit Margin (in %)	1.79%	1.86%	1.13%	1.46%	5.09%	3.54%	4.26%	2.95%

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