

**No. CARE ARO/GEN/2024-25/1029**

**Mr. Vijay Ramanlal Sanghvi**  
**Chairman and Managing Director**  
**Ratnaveer Precision Engineering Limited**  
E-77/121, GIDC Savli, Manjusar  
Vadodara, Gujarat - 391775

May 03, 2024

Dear Sir,

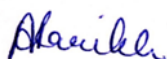
**Monitoring Agency Report for the quarter ended March 31, 2024 - in relation to the IPO of Ratnaveer Precision Engineering Limited ("the Company")**

We write in our capacity of Monitoring Agency for the Initial Public Offering (IPO) for the amount aggregating to Rs.135.24 crore of the Company and refer to our duties cast under 41 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated July 13, 2023.

Request you to kindly take the same on records.

Thanking you,  
Yours faithfully,



**Anuja Parikh**  
Assistant Director  
[anuja.parikh@careedge.in](mailto:anuja.parikh@careedge.in)

**Report of the Monitoring Agency**

Name of the issuer: Ratnaveer Precision Engineering Limited

For quarter ended: March 31, 2024

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

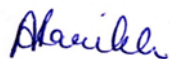
(b) Range of Deviation: Not applicable

**Declaration:**

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.



Signature:

Name and designation of the Authorized Signatory: Anuja Parikh

Designation of Authorized person/Signing Authority: Assistant Director

**1) Issuer Details:**

Name of the issuer : Ratnaveer Precision Engineering Limited  
Name of the promoter : Mr Vijay Ramanlal Sanghvi  
Industry/sector to which it belongs : Stainless steel products

**2) Issue Details**

Issue Period : September 04, 2023 to September 06, 2023  
Type of issue : Initial Public Offering  
Type of specified securities : Equity shares  
IPO Grading, if any : Not applicable  
Issue size (in Rs. crore) : Rs.135.24 crore of fresh issue (Note 1)

Note 1:

Particulars	Remarks
Total shares issued and subscribed as part of Fresh issue	13,800,000
Total proceeds received from Fresh issue (in Rs.)	1,352,400,000
Details of expenses incurred related to Fresh issue* (in Rs.)	202,180,000
Net proceeds available for utilisation (in Rs.)	1,150,220,000

\*The amount mentioned as expense was earmarked for cost of issue as per the offer document.

**3) Details of the arrangement made to ensure the monitoring of issue proceeds:**

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant certificate*; Bank statement	Yes	Yes
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Not applicable	Not applicable	Not applicable
Whether the means of finance for the disclosed objects of the issue have changed?	Not applicable	Not applicable	Not applicable	Not applicable
Is there any major deviation observed over the earlier monitoring agency reports?	No	Not applicable	No	No
Whether all Government/statutory approvals related to the object(s) have been obtained?	No such approval needed	Not applicable	Not applicable	Not applicable

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	There is no such arrangement	Not applicable	Not applicable	Not applicable
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Not applicable	No	No
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not applicable	No	No

\* Chartered Accountant certificate from M/s. Pankaj R. Shah & Associates dated April 26, 2024

#Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised
- Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

#### 4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	Funding working capital requirement	Chartered Accountant certificate*, Bank statements, Offer Document	85.00	Not applicable	All the proceeds from the IPO has been utilized appropriately for the objectives mentioned in the offer document.	Nil	Nil	Nil
2.	General corporate purposes	Chartered Accountant certificate*, Bank statements, Offer Document	30.02	Not Applicable		Nil	Nil	Nil
<b>Total</b>			<b>115.02</b>					

\* Chartered Accountant certificate from M/s. Pankaj R. Shah & Associates dated April 26, 2024

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore (A)	Amount utilised in Rs. Crore			Unutilized Amount in Rs. Crore as on March 31, 2024 (C=A-B)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore (B)			Reasons for idle funds	Proposed course of action
1	Funding working capital requirement	Chartered Accountant certificate*, Bank statements, Offer Document	85.00	55.00	-	55.00	30.00		Idle fund will be utilised in FY 2024-25 as stated in prospectus.	Nil
2	General corporate purposes	Chartered Accountant certificate*, Bank statements, Offer Document	30.02	27.42	-	27.42	** 2.60	Out of net proceeds of Rs.115.02 crore, Rs.82.42 crores has been spent till Q4FY24 and the balance is kept in the Escrow account and in Bank FD.	Due to certain external factors, the Company could not utilise the said fund during the FY 2023-24. The same will be utilize in the FY 2024-25	Nil
<b>Total</b>			<b>115.02</b>	<b>82.42</b>	<b>-</b>	<b>82.42</b>	<b>32.60</b>			

\* Chartered Accountant certificate from M/s. Pankaj R. Shah & Associates dated April 26, 2024;

\*\* This amount is lying in escrow account as on March 31, 2024

(iii) Deployment of unutilised IPO proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (Rs. Crore)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter (Rs. Crore)
1	Bank FD [IndusInd Bank]^	^30.64	May 01, 2024	Not Applicable	7.25% p.a.	30.64
2	Balance with Issue Account [Kotak Mahindra Bank]	**3.16	Not Applicable	Not Applicable	Not Applicable	3.16

^ Includes Rs.0.64 crore of interest accumulated on FD till January 31, 2024 i.e. renewal date

\*\*includes Rs.0.56 crore of funds pending for reimbursement to the company for issue related expense done through company's own accounts

## (iv) Delay in implementation of the object(s)

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Funding working capital requirement	FY24 - FY25	On Schedule	Not Applicable	Not Applicable	Not Applicable
General corporate purposes	FY24	FY24 - FY25	As per the offer document, the company was expected to incur a cost of Rs.30.02 crore by end of FY24 towards general corporate purpose, however, it has incurred Rs.27.42 crore in FY24 towards the same and balance is likely to be incurred in FY25.	The Company has spent almost entire amount of IPO fund raised for General Corporate Purpose. However, due to certain external Factors, the Company could not utilise the entire amount during the FY 2023-24.	The Company will utilise the same during the Financial year 2024-25

## 5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No	Item Head	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1.	To OD A/c ICICI Bank	2.00	Bank Statements	Nil	Nil
2.	To CC A/c Uco Bank	4.14	Bank Statements	Nil	Nil
3.	To CC A/c Karur Vaysya Bank	4.11	Bank Statements	Nil	Nil
4.	To CC A/c Bandhan Bank	2.24	Bank Statements	Nil	Nil
5.	To OD A/c Yes Bank	4.75	Bank Statements	Nil	Nil
6.	Towards GST Payment	2.18	Client Declaration; Bank Statements	Nil	Nil
7.	To CC A/c Bandhan Bank	8.00	Bank Statements	Nil	Nil
	<b>Total</b>	<b>27.42</b>			

^ Section from the offer document related to GCP:

"Our Company proposes to deploy the balance gross Offer Proceeds, aggregating to Rs.30.02 crore, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the gross Offer Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise net proceeds include, business development initiatives, research and development, meeting any expense including salaries and wages, rent, administration costs, insurance premiums, repairs and maintenance, payment of taxes and duties, and similar other expenses incurred in the ordinary course of our business or towards any exigencies. The quantum of utilisation of funds towards each of the above purposes will be determined by our board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law. In addition to the above, our Company may utilise the net proceeds towards other purposes considered expedient and as approved periodically by our board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of net proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of net proceeds in a financial year, we will utilize such unutilized amount in the subsequent financial years"

**Disclaimers to MA report:**

a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as "**Monitoring Agency/MA**"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.