



**KK JEWELS**

CORPORATE IDENTITY NUMBER: U52393GJ2010PLC061692

REGISTERED OFFICE		CONTACT PERSON		EMAIL AND TELEPHONE		WEBSITE	
6 Ground Floor, Iscon Center, Besides Tanishq, Shivranjani Cross Road, Satellite, Ahmedabad - 380015, Gujarat, India.		Hiral Ishan Dave (Company Secretary and Compliance officer)		Email Id: <a href="mailto:cs.kkjewels@gmail.com">cs.kkjewels@gmail.com</a> Tel. No: +91 93288 71207		<a href="https://kkjewels.org/">https://kkjewels.org/</a>	
<b>PROMOTER OF OUR COMPANY: KAILASH KABRA AND JYOTHI KAILASH KABRA</b>							
<b>DETAILS OF THE ISSUE</b>							
TYPE	FRESH ISSUE SIZE (in ₹ lakhs)	OFFER FOR SALE	TOTAL ISSUE SIZE (in ₹ lakhs)	ELIGIBILITY AND SHARE RESERVATION AMONGST QIBS, NIIS AND RIIS			
Fresh Issue	31,25,000 Equity Shares aggregating upto ₹ [●] lakhs	N.A.	₹ [●] lakhs	The issue is being made in terms of Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 through Book Building Process in accordance with Regulation 229 (2) and 253(1) of the SEBI ICDR Regulations. For further details, see "Other Regulatory and Statutory Disclosures - Eligibility of the Issue" on page 240. For details in relation to share reservation among QIBs, NIIs and RIIs, see "Issue Structure" on page 262.			
<b>DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES</b>							
<b>RISK IN RELATION TO THE FIRST ISSUE</b>							
The face value of the Equity Shares is ₹10/- each and the Floor Price, Cap Price and Issue Price (determined by our Company in consultation with the Book Running Lead Manager in accordance with SEBI ICDR Regulations and on the basis of the assessment of market demand for the Equity Shares by way of Book Building process as stated in chapter titled "Basis for Issue Price" beginning on page 88 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 an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.							
<b>GENERAL RISKS</b>							
Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue 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 the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the issue including the risks involved. The Equity Shares issued in the issue 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 title <i>Risk Factors</i> beginning on 26 of this Red Herring Prospectus.							
<b>COMPANY'S ABSOLUTE RESPONSIBILITY</b>							
The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.							
<b>LISTING</b>							
The Equity Shares Issued through this Red Herring Prospectus are proposed to be listed on EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received "in-principle" approval letter Ref.: NSE/LIST/4529 dated December 26, 2024 from National Stock Exchange of India Limited ("NSE") for using its name in the Red Herring Prospectus for listing of our shares on the NSE EMERGE. For the purpose of this Issue, the Designated Stock Exchange will be the NSE EMERGE.							
<b>BOOK RUNNING LEAD MANAGER TO THE ISSUE</b>							
NAME AND LOGO		CONTACT PERSON		EMAIL & TELEPHONE			
 MARWADI CHANDARANA GROUP Marwadi Chandarana Intermediaries Brokers Private Limited		Janil Jain/ Radhika Maheshwari		Email: <a href="mailto:mb@marwadichandarana.com">mb@marwadichandarana.com</a> Tel. No: +91 022 6912 0027			
<b>REGISTRAR TO THE ISSUE</b>							
NAME AND LOGO		CONTACT PERSON		EMAIL & TELEPHONE			
 CAMEO Cameo Corporate Services Limited		Ms. K. Sreepriya		Email: <a href="mailto:ipo@cameoindia.com">ipo@cameoindia.com</a> Tel. No: 044 4002 0700			
<b>BID / ISSUE PERIOD</b>							
ANCHOR ISSUE BIDDING DATE:	Tuesday, January 14, 2025	BID/ISSUE OPENS ON:	Wednesday, January 15, 2025	BID/ISSUE CLOSES ON:	Friday, January 17, 2025		

\* Our Company, in consultation with the BRLMs, may 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 / Issue Opening Date.

\*\* Our Company, in consultation with the BRLMs, may decide to close the Bid / Issue Period for QIBs one Working Day prior to the Bid / Issue Closing Date, in accordance with the SEBI (ICDR) Regulations.

# The UPI mandate end time and date shall be at 5:00 p.m. on Bid / Issue Closing Day.

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**KABRA JEWELS LIMITED**  
**CORPORATE IDENTITY NUMBER: U52393GJ2010PLC061692**

Our company was originally incorporated and registered as a private limited company under Companies Act, 1956 in the name and style of 'Kabara & Malpani Jewels Private Limited, vide certificate of incorporation dated July 21, 2010 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a resolution of our Board dated May 10, 2012 and a resolution of our shareholders dated June 07, 2012, the name of our company was changed to 'Kabara Jewels Private Limited' and a fresh certificate of incorporation dated June 28, 2012 was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a resolution of our Board dated April 15, 2024 and a resolution of our shareholders dated May 11, 2024, our Company was converted into a public limited company under the companies Act, and consequently the name of our company was changed to 'Kabara Jewels Limited' and a fresh certificate of incorporation dated August 5, 2024 issued by Registrar of Companies, Central Processing Centre.

**Registered Office:** 6 Ground Floor, Iscon Center, Besides Tanishq, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat, India, 380015

**Website:** <https://kkjewels.org/> **E-Mail:** [cs.kkjewels@gmail.com](mailto:cs.kkjewels@gmail.com) **Tel. No:** +91 93288 71207 **Facsimile:** N.A.

**Company Secretary and Compliance Officer:** Hiral Ishan Dave

**PROMOTER OF OUR COMPANY: KAILASH KABRA AND JYOTHI KAILASH KABRA**

**INITIAL PUBLIC OFFER OF 31,25,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH ("EQUITY SHARES") OF KABRA JEWELS LIMITED ("OUR COMPANY" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH 2,90,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 28,35,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 29.80 % AND 27.04 % RESPECTIVELY OF THE POST- ISSUE PAID- UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER IN FINANCIAL EXPRESS, ALL EDITIONS OF HINDI NATIONAL NEWSPAPER IN JANSATTA, EACH WITH WIDE CIRCULATION AND IN GUJARATI EDITION OF FINANCIAL EXPRESS, REGIONAL NEWSPAPER (GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS SITUATED.) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").**

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recorded in writing extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank, as applicable.

The issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the issue through the ASBA process. For details, see "Issue Procedure" beginning on page 262 of this Red Herring Prospectus

**ELIGIBLE INVESTORS**

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 262 of this Red Herring Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10/- each and the Floor Price, Cap Price and Issue Price (determined and justified by our Company in consultation with the Book Running Lead Manager in accordance with SEBI ICDR Regulations and on the basis of the assessment of market demand for the Equity Shares by way of Book Building process as stated in chapter titled "Basis of the Issue" beginning on Page 88 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 an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue 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 the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the issue including the risks involved. The Equity Shares issued in the issue 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 in Page 26 of this Red Herring Prospectus.

**COMPANY'S ABSOLUTE RESPONSIBILITY**

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

**LISTING**

The Equity Shares Issued through this Red Herring Prospectus are proposed to be listed on SME Platform of NSE EMERGE in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received "in-principle" approval letter Ref.: NSE/LIST/4529 dated December 26, 2024 from National Stock Exchange of India Limited ("NSE") for using its name in the Red Herring Prospectus / Prospectus for listing of our shares on the SME Platform of NSE EMERGE. For the purpose of this Issue, the Designated Stock Exchange will be the NSE EMERGE.

**BOOK RUNNING LEAD MANAGER**

**Marwadi Chandarana Intermediaries Brokers Private Limited**  
**SEBI Registration Number:** INM000013165  
**Address:** X-change Plaza, Office no. 1201 to 1205, 12th Floor, Building No. 53E, Zone-5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat, India  
**Telephone:** +91 022 6912 0027 . **Email Id:** [mhb@marwadichandarana.com](mailto:mhb@marwadichandarana.com)  
**Investors Grievance Id:** [mbgrievances@marwadichandarana.com](mailto:mbgrievances@marwadichandarana.com)  
**Website:** [ib.marwadichandaranagroup.com](http://ib.marwadichandaranagroup.com)  
**Contact Person:** Janil Jain/Radhika Maheshwari  
**CIN:** U67120GJ2018PTC103598

**REGISTRAR TO THE ISSUE**

**Cameo Corporate Service Limited**  
**SEBI Registration Number:** INR000003753  
**Address:** Subramaniam Building, No. 1, Club House Road, Chennai – 600002, India.  
**Telephone:** 044 4002 0700, **Email Id:** [ipo@cameoindia.com](mailto:ipo@cameoindia.com)  
**Investors Grievance Id:** [investor@cameoindia.com](mailto:investor@cameoindia.com)  
**Website:** [www.cameoindia.com](http://www.cameoindia.com)  
**Online Investor Portal:** <https://wisdom.cameoindia.com>  
**Contact Person:** Ms. K Sreepriya (Executive Vice President and Company Secretary)  
**CIN:** U67120TN1998PLC041613

**ISSUE PROGRAMME\***

<b>ANCHOR ISSUE BIDDING DATE:</b>	<b>Tuesday, January 14, 2025</b>	<b>BID/ISSUE OPENS ON:</b>	<b>Wednesday, January 15, 2025</b>	<b>BID/ISSUE CLOSES ON:</b>	<b>Friday, January 17, 2025</b>
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\* Our Company, in consultation with the BRLMs, may 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 / Issue Opening Date.

\*\* Our Company, in consultation with the BRLMs, may decide to close the Bid / Issue Period for QIBs one Working Day prior to the Bid / Issue Closing Date, in accordance with the SEBI (ICDR) Regulations. # The UPI mandate end time and date shall be at 5:00 p.m. on Bid / Issue Closing Day.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Further, Issue related terms used but not defined in this Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document.*

*Notwithstanding the foregoing, the terms used in the sections “Industry Overview”, “Key Industry Regulations”, “Statement of Special Tax Benefits”, “Financial Information of the Company”, “Basis for Issue Price”, “Outstanding Litigation and Material Developments” and “Main provisions of the Articles of Association of our company” beginning on pages 100, 143, 96, 174, 88, 225 and 296 respectively, of this RHP shall have the meaning ascribed to them in the relevant section.*

#### **GENERAL TERMS**

<b>Term</b>	<b>Description</b>
“Kabra Jewels Limited”, “Our Company”, “the Company”, “the Issuer”	Kabra Jewels Limited (formerly known as Kabra Jewels Private Limited), a public limited company incorporated in India under the Companies Act, 2013 having its Registered Office at 6, Ground Floor, Iscon Center, Besides Tanishq, Shivranjani Cross Road, Satellite, Ahmedabad-380015, Gujarat, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Issue

#### **COMPANY RELATED TERMS**

<b>Term</b>	<b>Description</b>
AOA /Articles of Association / Articles	The Articles of Association of or Company, as amended, from time to time
Audit Committee	The audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management – Committees of our Board of Directors – Audit Committee</i> ” on page 156 of this RHP.
Auditor / Statutory Auditor	M/s. S N Shah & Associates, Chartered Accountants (FRN: 109782W) having their office at Sapan House, 10-B, Government Servant Co-op Society, Opp. Municipal Market, C G Road, Navrangpura, Ahmedabad – 380009, Gujarat, India.
Bankers to our company	Axis Bank Limited and IndusInd Bank Limited.
Board of Directors/ the Board/ our Board	Board of directors of our Company, as described in section “ <i>Our Management</i> ”, beginning on page 156 of this RHP.
Chief Financial Officer/CFO	Chief financial officer of our Company is Rahul Jitendrakumar Shah. For details, see “ <i>Our Management</i> ” on page 156 of this RHP.
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company being, Hiral Ishan Dave. For details, see “ <i>Our Management</i> ” beginning on page 156 of this RHP
Companies Act	The Companies Act, 1956/2013 as amended from time to time
CIN	Corporate Identification Number of our company i.e., U52393GJ2010PLC061692

Director(s)	Directors on our Board as described in “ <i>Our Management</i> ”, beginning on page 156 of this RHP.
<b>Term</b>	<b>Description</b>
DIN	Director Identification Number
Equity Shares	The equity shares of our Company of face value of ₹ 10 each.
Executive Directors	Executive Directors of our Company as appointed from time to time
Group Companies	Companies with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and also other companies as considered material by our Board of the Issuer as disclosed in “ <i>Our Group Companies</i> ” on page 237 of this Red Herring Prospectus
Independent Directors	Independent directors on our Board, and who are eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, see “ <i>Our Management</i> ” beginning on page 156 of this RHP.
Individual Promoters	Kailash Kabra and Jyothi Kailash Kabra,
ISIN	International Securities Identification Number. In this case being INE0XOW01017
KMP/Key Managerial Personnel	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 as applicable and as further disclosed in “ <i>Our Management</i> ” on page 156 of this RHP.
Materiality Policy	The policy adopted by our Board of Directors on August 09, 2024 for identification of material: (a) outstanding litigation proceedings; (b) Group Companies; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Red Herring Prospectus.
MoA/ Memorandum of Association	The Memorandum of Association of our Company, as amended, from time to time
Managing Director	Managing Director of our Company is Kailash Kabra
Nomination and Remuneration Committee	Nomination and remuneration committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management – Committees of our Board of Directors – Nomination and Remuneration Committee</i> ” on page 156 of this RHP
Non-Executive Director(s)	Non-executive directors on our Board, as described in “ <i>Our Management</i> ”, beginning on page 156 of this RHP
Promoter	The promoters of our Company being Kailash Kabra and Jyothi Kailash Kabra. For details, see “ <i>Our Promoter and Promoter Group</i> ” on page 170 of this RHP.
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Promoter and Promoter Group</i> ” on page 170 this RHP.
Registered Office	6, Ground Floor, Iscon Center, Besides Tanishq, Shivranjani Cross Road, Satellite, Ahmedabad-380015, Gujarat, India.
Restated Financial Statements/ Restated Financial Information	The Restated Financial Information of our Company, which comprises the Restated Statement of Assets and Liabilities, the Restated Statement of Profit and Loss, the Restated Statement of Cash Flows, for the financial year ended on March 31, 2024, March 31 2023 and March 31, 2022 along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time
RoC/Registrar of Companies	Registrar of Companies, Ahmedabad at Gujarat
Shareholder(s)	Shareholders of our Company, from time to time
Senior Managerial Personnel	Senior management personnel of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations as described in “ <i>Our Management – Senior Management Personnel of our Company</i> ” on page 156 of this Red Herring Prospectus.
Stakeholders Relationship Committee	Stakeholders’ relationship committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management</i> ”, beginning on page 156 of this RHP

## ISSUE RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to an Applicant as proof of registration of the Application Form
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf. Abridged Prospectus is to be issued under SEBI ICDR Regulations and appended to the Application Forms.
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Issue to the successful Applicants.
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Applicant(s)/Investor	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form and unless otherwise stated or implied includes an ASBA Applicant.
Application Form	The Form (with and without the use of UPI, as may be applicable), in terms of which the prospective investors shall apply for our Equity Shares in the Issue.
Allottee	A successful Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application and authorising an SCSB to block the Bid Amount in the specified bank Account maintained with such SCSB. ASBA is mandatory for all Applicants participating in the Issue.
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)	Any prospective investor who makes an application pursuant to the terms of the Red Herring Prospectus and the Application Form including through UPI mode (as applicable).
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Form(s)	An application form, whether physical or electronic, used by ASBA Applicant and which will be considered as the application for Allotment in terms of the Prospectus
Banker(s) to the Issue and Refund Banker	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Public Issue Account will be opened, in this case being IndusInd Bank Limited
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Applicants under the Issue, as described in “ <i>Issue Procedure</i> ” beginning on page 262 of this RHP.
Bid	An indication to make an Offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Red Herring Prospectus.
Bidding Centers	The centers at which the Designated Intermediaries shall accept the ASBA Forms to a Registered Broker, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Running Lead Manager/ BRLM	The Book Running Lead Manager to the Issue, being Marwadi Chandarana Intermediaries Brokers Private Limited.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.



<b>Term</b>	<b>Description</b>
Broker Centres	Broker Centres notified by the Stock Exchanges where ASBA Applicants can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges.
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Client ID	The client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI UPI Circulars, issued by SEBI.
Circular on Streamlining of Public Issues/ UPI Circular	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI/HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022 and SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, SEBI master circular with circular number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 03, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 03, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard.
Controlling Branches	Such branches of SCSBs which coordinate Applications under the Issue with the LM, the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	Details of the Applicants including their address, name of the father/husband, investor status, occupation and bank account details and UPI ID, where applicable
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue
Designated Intermediaries/ Collecting agent	In relation to ASBA Forms submitted by RIBs authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be

<b>Term</b>	<b>Description</b>
	blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Limited (“NSE EMERGE”)
DP ID	Depository Participant’s Identity Number
Designated Market Maker	Giriraj Stock Broking Private Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Red Herring Prospectus/RHP	This Red Herring Prospectus dated September 12, 2024 issued in accordance with Section 26 of the Companies Act, 2013 and SEBI ICDR Regulation.
Eligible FPI(s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Issue and in relation to whom the Application Form and the Prospectus constitutes an invitation to subscribe to the Equity Shares
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants
Equity Listing Agreements	The listing agreements to be entered into by our Company with the Stock Exchange in relation to our Equity Shares.
Escrow and Sponsor Bank Agreement	Agreement dated January 07, 2025 entered into amongst our Company, the Registrar to the Issue, the Book Running Lead Manager and Banker to the Issue and Sponsor Bank, to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Escrow Account(s)	Account(s) opened with the Bank(s) to the Issue pursuant to Escrow and Sponsor Bank Agreement
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account(s) will be opened, in this case being IndusInd Bank Limited
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable
First Applicant	The Applicant whose name appears first in the Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price will be finalized and below which no Bids will be accepted.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000

<b>Term</b>	<b>Description</b>
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations
Fresh Issue	The Fresh Issue of 31,25,000 Equity Shares aggregating up to ₹ [●] Lakhs
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchange and the Book Running Lead Manager.
Gross Proceeds	The Offer Proceeds
IPO/ Offer/ Offer Size/ Public Offer	Initial Public Offering
Issue / Offer	The initial public offer of 31,25,000 Equity Shares of face value of ₹10 each aggregating up to ₹ [●].
Issue Agreement	The agreement dated August 23, 2024 amongst our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price / Offer Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company in consultation with the BRLM in terms of the Red Herring Prospectus and the Prospectus.  The Offer Price will be decided by our Company in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.
Issue Proceeds	The proceeds of the Issue shall be available to our Company. For further information about the use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” beginning on page 75 of this RHP
Issue Opening	The date on which the Book Running Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being Wednesday, January 15, 2025.
Issue Closing	The date after which the Book Running Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being Friday, January 17, 2025.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Maker	Market Maker of the Company, in this case being Giriraj Stock Broking Private Limited.
Market Maker Reservation Portion	The Reserved portion of upto 2,90,000 Equity shares of ₹ 10 each at an Issue Price of ₹ [●] aggregating to ₹ [●] for Designated Market Maker in the Public Issue of our Company
Market Making Agreement	The Agreement among the Market Maker, the Book Running Lead Manager and our Company dated January 03, 2025.
Mobile App(s)	The mobile applications listed on the website of SEBI at

<b>Term</b>	<b>Description</b>
	<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 28,35,000 equity Shares of face value of ₹10 each fully paid for cash at a price of ₹ [●] per Equity Share (the "Issue Price"), including a share premium of ₹ [●] per equity share aggregating to ₹ [●]
Net Proceeds	The proceeds from the Issue less the Issue related expenses applicable to the Issue. For further information about use of the Issue Proceeds and the Issue expenses, see "Objects of the Issue" on page 75 of this RHP.
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Non-Institutional Investors/ Non-Institutional Bidders/ NIB's	All Applicants that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer consisting of 4,26,000 Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price or through such other method of allocation as may be introduced under applicable law
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Offer document	Includes Draft Red Herring Prospectus/ Red Herring Prospectus and Prospectus to be filed with Registrar of Companies.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Issue opening and closing dates, the size of the Issue and certain other information.
Public Issue Account(s)	Account to be opened with Banker to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Issue Bank	The bank(s) which is a clearing member and registered with SEBI as a banker to an issue with which the Public Issue Account(s) is opened for collection of Application Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being IndusInd Bank Limited
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●]. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Offer Opening Date.
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalise the Offer Price.
Qualified Institutional Buyers/ QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIB Category/ QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of upto 14,16,000 Equity Shares aggregating to ₹ [●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall

<b>Term</b>	<b>Description</b>
	be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors).
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
Registered Brokers	Stockbrokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Applications in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 and the UPI Circulars issued by SEBI.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto.
Registrar Agreement	The agreement dated August 23, 2024 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents/ RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, among others, circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Issue/ Registrar	Cameo Corporate Services Limited
Retail Individual Investor(s)/ RII(s)/ RIB(s)	Individual Applicants, who have applied for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs)
Retail Portions	Portion of the Offer being not less than 35% of the Net Offer consisting of 9,93,000 Equity Shares which shall be available for allocation to RIBs (subject to valid Bids being received at or above the Offer Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Applications during the Issue Period and withdraw their Applications until Issue Closing Date
Refund Bank(s) /Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being IndusInd Bank Limited
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Refund Account	Account to be opened with a SEBI Registered Banker to the Offer from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Reservation Portion	The portion of the Offer reserved for category of eligible bidders as provided under the SEBI (ICDR) Regulations, 2018
Reserved Category/ Categories	Categories of persons eligible for making bid under reservation portion
SEBI SCORES	Securities and Exchange Board of India Complaints Redress System
Self-Certified Syndicate Bank(s) or SCSB(s)	The list of SCSBs notified by SEBI for the ASBA process is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</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 a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Application Forms, is available 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 websites as may be prescribed by SEBI from time to time.
	In relation to Bids submitted to a member of the Syndicate, the list of branches of the

Term	Description
	<p>SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (<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 updated from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (<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>) as updated from time to time.</p> <p>In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>) and (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a>) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as ‘Annexure A’ for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019</p>
“Syndicate” or “Members of the Syndicate”	Together, the BRLM and the Syndicate Members
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Applicants, a list of which will be included in the Application Form
Sponsor Bank	The Banker to the Issue registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the RIBs using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being IndusInd Bank Limited
Syndicate Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, the BRLMs and the Syndicate Members, in relation to collection of Bids by the Syndicate.
Syndicate Members	Intermediaries (other than BRLMs) registered with SEBI who are permitted to carry out activities in relation to collection of Bids and as underwriters, namely, Marwadi Chandarana Intermediaries Brokers Private Limited.
Stock Exchange	Emerge Platform of National Stock Exchange of India Limited (“NSE EMERGE”)
Systemically Important Non-Banking Financial Companies	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the bidders, as proof of registration of the bid.
Underwriters	The BRLM i.e., Marwadi Chandarana Intermediaries Brokers Private Limited who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, (Repeal) 2021, as amended from time to time.
Underwriting Agreement	The agreement dated January 03, 2025 among the Underwriter and our Company to be entered prior to filing of the Prospectus with RoC.
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion, and (ii) Non- Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.
	Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022

<b>Term</b>	<b>Description</b>
	issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the websites of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI linked mobile application and by way of an SMS on directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The Bidding mechanism that may be used by UPI Bidders to make ASBA Bids in the Issue in accordance with UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Working Days	All days on which commercial banks in Mumbai, India are open for business, provided however, with reference to (a) announcement of the Issue Price; and (b) Issue Period, Term Description. The term “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI

## CONVENTIONAL AND GENERAL TERMS AND ABBREVIATIONS

<b>Term</b>	<b>Description</b>
₹ or Rs. or Rupees or INR	Indian Rupees
A/c	Account
AGM	Annual general meeting
AIFs	Alternative investment funds as defined in and registered under the SEBI AIF Regulations
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
NSE	National Stock Exchange of India Limited
CAGR	Compounded Annual Growth Rate
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations
CBDT	The Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and

<b>Term</b>	<b>Description</b>
	clarifications made thereunder, as the context requires
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
Competition Act	Competition Act, 2002, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020
CRAR	Capital to Risk Asset Ratio
CSR	Corporate Social Responsibility
Demat	Dematerialised
Depositories Act	Depositories Act, 1996.
Depository or Depositories	NSDL and CDSL both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting
EMERGE	The SME platform of National Stock Exchange of India Limited
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
EUR/ €	Euro
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, Fiscal, FY/ F.Y.	Period of twelve months ending on March 31 of that particular year, unless stated otherwise
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
FVCI	Foreign Venture Capital Investors as defined under SEBI FVCI Regulations
FY	Financial Year
FPI(s)	Foreign Portfolio Investor, as defined under the FPI Regulations
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
FIPB	The erstwhile Foreign Investment Promotion Board
NABH	National Accreditation Board for Hospitals & Healthcare Providers
FVCI	Foreign venture capital investors, as defined and registered with SEBI under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GDP	Gross domestic product



<b>Term</b>	<b>Description</b>
GoI or Government or Central Government	Government of India
GST	Goods and services tax
Hazardous Waste Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
HR	Human resource
HUF	Hindu undivided family
I.T. Act	The Income Tax Act, 1961, as amended
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IGAAP or Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
INR	Indian National Rupee
IPR	Intellectual property rights
IRR	Internal rate of return
IPO	Initial public offer
IRDAI	Insurance Regulatory Development Authority of India
ISIN	International Securities Identification Number
IST	Indian Standard Time
IT	Information technology
India	Republic of India
KPI	Key Performance Indicators
Listing Regulations” or “SEBI LODR Regulations”	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Listing Agreement	The equity listing agreement to be entered into by our Company with each of the Stock Exchanges
LIBOR	London Inter-Bank Offer Rate
MCA	Ministry of Corporate Affairs, Government of India
Mn/ mn	Million
MSME	Micro, Small, and Medium Enterprises
Mutual Fund(s)	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value
NCDs	Non-Convertible Debentures
NBFC	Non-Banking Financial Company
NBFC-ND-SI	Non-Banking Financial Company - Systemically Important Non-Deposit taking Company
NBFC-SI Master Directions	Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Master Direction DNBR. PD. 008/03.10.119/2016-17) dated September 1, 2016 (updated on February 17, 2020)
NEFT	National electronic fund transfer
NFE	Net foreign exchange
NGT	The National Green Tribunal
Non-Resident	A person resident outside India, as defined under FEMA
NPCI	National payments corporation of India
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI/ Non-Resident	A person resident outside India who is a citizen of India as defined under the Foreign

<b>Term</b>	<b>Description</b>
Indian	Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue
P/E Ratio	Price/earnings ratio
PAN	Permanent account number allotted under the I.T. Act
PAT	Profit after tax
PIO	Person of India Origin
R&D	Research and development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
RTI	Right to Information, in terms of the Right to Information Act, 2005
ROE	Return on Equity
ROCE	Return on Capital Employed
RONW	Return on net worth
Rs./ Rupees/ ₹ / INR	Indian Rupees
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SARFAESI Act	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulations AIF	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI Regulations BTI	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Regulations FVCI	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Regulations ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Regulations Listing	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Regulations Mutual	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Regulations SBEB	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Regulations Takeover	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI Regulations VCF	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
State Government	Government of a State of India

<b>Term</b>	<b>Description</b>
STT	Securities Transaction Tax
SICA	The erstwhile Sick Industrial Companies (Special Provisions) Act, 1985
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TAN	Tax deduction account number
TDS	Tax deducted at source
US GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
USD / US\$	United States Dollars
UT	Union Territory
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations
w.e.f.	With effect from
Willful Defaulter or Fraudulent Borrower	Willful Defaulter or Fraudulent Borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
WTD	Whole Time Director as defined in Companies Act, 2013
Year/Calendar Year	Unless context otherwise requires, shall refer to the 12 month period ending Dec 31

#### **TECHNICAL/ INDUSTRY RELATED TERMS**

<b>Terms</b>	<b>Description</b>
BIS	Bureau of Indian Standards
2-D	2 Dimensional
3-D	3 Dimensional
CARAT	The unit for determining weight of gemstones, 1 carat being equal to 0.2 grams
CCTV	Closed Circuit Television
G & J	Gems and Jewellery
GJEPC	Gem and Jewellery Export Promotion Council
Polki	It refers to polished flat-cut diamond
GJTCI	Gem & Jewellery Trade Council of India
GJC	All India Gem and Jewellery Domestic Council
IEC	Import Export Code
Kundan	24kt gold foil
Karigar / Artisans	Who manufactures jewellery for the company
IGI	International Gemological Institute
IICJ	Indian Institute of Gems & Jewellery
ISO	International Organisation for Standard
Kg	Kilogram
Kt	karat
USP	Unique Selling Point
PR activities	Public Relation Activities
gm	Grams

Notwithstanding the foregoing, terms in “Industry Overview”, “Key Industry Regulations”, “Statement of Special Tax Benefits”, “Financial Information of the Company”, “Basis for Issue Price”, “Outstanding Litigation and Material Developments” and “Main Provisions of the Articles of Association of our Company” and “Issue Procedure” on pages 100, 143, 96, 174 , 88 , 225, 296 and 262 respectively of this Red Herring Prospectus, will have the meaning ascribed to such terms in these respective sections.

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL REPRESENTATION**

### **Certain Conventions**

All references to “India” contained in this Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, Central Government” or the “State Government” are to the Government of India, central or state, as applicable. Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a calendar year.

### **Use of Financial Data**

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Red Herring Prospectus has been derived from our Restated Financial Information. For further information, please see the section titled “*Financial Information of the Company*” on page 174 of this Red Herring Prospectus

Our Company’s financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Restated Financial Statements of our Company for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 which comprise restated summary statement of assets and liabilities, the restated summary statement of profit and loss, the restated summary statement of cash flow and restated summary statement of changes in equity together with the annexures and notes thereto and the examination report thereon, as compiled from the Indian GAAP financial statements for respective period/year and in accordance with the requirements provided under the provisions of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should, accordingly, be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 26, 109 and 213 respectively, of this Red Herring Prospectus, and elsewhere in this Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company, prepared in accordance with Indian GAAP, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on pages 26, 100 and 109 respectively, this Red Herring Prospectus.

### **Use of Industry and Market Data**

Unless stated otherwise, industry and market data used throughout this Red Herring Prospectus has been obtained and derived from data provided by management of the company, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Red Herring Prospectus. is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI ICDR Regulations, “*Basis for Issue Price*” on page 88 of this Red Herring Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 26 of this Red Herring Prospectus.

### **Currency of Financial Presentation**

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America.

Our Company has presented all numerical information in is Red Herring Prospectus in “Lakhs” units or in whole numbers where the numbers have been too small to represent in lacs. One Lakh represents 1,00,000 and one million represents 10,00,000.

## **FORWARD- LOOKING STATEMENTS**

This Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “*aim*”, “*anticipate*”, “*believe*”, “*expect*”, “*estimate*”, “*intend*”, “*objective*”, “*plan*”, “*propose*”, “*project*”, “*will*”, “*will continue*”, “*will pursue*” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Inability to maintain and develop our brand;
- Disruption in our line of business or recession in the market;
- Decline in demand of jewellery;
- Increase in prices of Raw Material i.e. gold, diamonds, precious and semi-precious stones. Any adverse developments affecting Gujarat, where our showrooms are located;
- Disruptions at third-party production or manufacturing facilities or failure of third parties to adhere to the relevant quality standards;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Any change in government policies resulting in increase in taxes payable by us;
- Our ability to retain our Key management persons and to attract and retain qualified personnel;
- Our ability to respond to technological changes;
- Inability to effectively manage or expand our retail network or operations or pursue our growth strategy;
- Inability to successfully obtain registrations in a timely manner or at all;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
- Our ability to repay interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
- Any failure to raise additional financing for our Company could have an adverse effect on our business, results of operations, financial condition and cash flows;
- Unsecured loan taken by our Company from our Promoters and directors can be recalled at any time;
- Inability to collect receivables and default in payment from our customers could result in reduced profits and affect our cash flows.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see section “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 26, 109 and 213 respectively, of this Red Herring Prospectus.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflects current views as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward- looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Promoter, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company, the Promoter and the Book Running Lead Manager will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Issue.

## **SECTION II - SUMMARY OF THE RED HERRING PROSPECTUS**

### **A. OVERVIEW OF BUSINESS**

Our Company was founded in 2010 in the name and style of “KK Jewels” a proprietorship firm and it is the idea of Mr. Kailash Kabra, a first-generation jeweller. Mr. Kailash Kabra ventured into the world of gems and jewellery at a young age of 21 years. He is dedicated to the industry and aims to offer customers jewellery that represents Indian culture. Since the start, KK Jewels has focused on giving its customers a different shopping experience. KK Jewels is a brand that offers an exquisite collection of fine jewellery at a prominent location in Ahmedabad, Gujarat.

Our company operates in the retail jewellery sector, offering a diverse range of gold, diamond, and silver ornaments and our other offerings include gold and silver coins, utensils and other artifacts. Our Company, guided by our Promoters and their team, understands customer preferences and creates designs to meet their needs. Our primary expertise is in designing and we market our exclusive creations under the brand name “KK Jewels”. We have a diverse product portfolio includes rings, earrings, pendants, bracelets, chains, necklaces, bangles and other wedding jewellery through which we cater a large number of customers. As on the date of this RHP, Our Company has 6 showrooms under the brand *KK Jewels Bridal*, *KK Jewels Diamond*, *KK Jewels Silver*, *KK Jewels Gold*, *KK Jewels - Atarashi* and *KK Jewels - Silver Studio*, 3 offices and 1 exhibition centre located in the city of Ahmedabad. All of these showrooms are operated and managed by us, and has been taken on rental basis. For further details of our showrooms, office and exhibition centre refer section “*Our Business – Our Location*” on page no. 140. Our gold, diamond and other jewellery inventory in each showroom reflects customer preferences and designs. Our main strengths are our focus on design and innovation, our understanding of consumer preferences and market trends, the detail in our designs, and the quality of our products.

### **B. OVERVIEW OF THE INDUSTRY**

The gems and jewellery industry is one of the most important sectors of the Indian economy, contributing about 7% to the GDP and employing over 5 million people. The industry is also a major source of foreign exchange earnings, accounting for about 15% of the total exports. The industry consists of various segments, such as gold, diamond, silver, platinum, and coloured gemstones, and caters to different markets, such as domestic, export, and tourism.

### **C. PROMOTERS**

Mr. Kailash Kabra and Mrs. Jyothi Kailash Kabra are the promoters of our Company. For further details, see “*Our Promoter and Promoter Group*” beginning on page 170.

### **D. DETAILS OF THE ISSUE**

The Issue size comprises of fresh issue of 31,25,000 Equity Shares of face value of ₹ 10 /- each fully paid-up of the Company for cash at price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating ₹ [●]. For further details, see ‘*The Issue*’ and ‘*Issue Structure*’ on pages 47 and 259, respectively:

### **E. OBJECTS OF THE ISSUE\***

The details of the proceeds from the issue are summarized in the following table:

<b>Particulars</b>	<b>Amount (Rs. in Lakhs)</b>
Gross Issue Proceeds	[●]
Less: Issue Expenses	[●]
<b>Net Issue Proceeds</b>	<b>[●]</b>

\*Subject to finalization of Basis of Allotment.

### **F. UTILISATION OF NET ISSUE PROCEEDS**

The Net Proceeds are proposed to be used in accordance with the details as set forth below:



Sr. No.	Particulars	Amount (₹ in Lakhs)	% of Gross Proceeds**
1.	Repayment of certain borrowing availed by our Company, in part or full	1,000.00	[●]
2.	To meet Working Capital requirements	2,200.00	[●]
3.	General Corporate Purpose**	[●]	[●]
	<b>Total</b>	[●]	[●]

\*\*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

For further details, see “*Objects of the Issue*” beginning on page 75.

## G. PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Our Promoters and Promoter Group collectively holds 65,59,520 Equity shares of our Company aggregating to 85.13% of the pre-issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Red Herring Prospectus:

S. No	Name of the Shareholders	Pre-Issue		Post-Issue*	
		No. of Equity Shares	Percentage of total Shareholding (%)	No. of Equity Shares	Percentage of total Shareholding (%)
<b>(A) Promoters</b>					
1.	Kailash Kabra	40,00,000	54.35	40,00,000	38.15
2.	Jyothi Kailash Kabra	14,40,000	19.57	14,40,000	13.73
	<b>Total (A)</b>	<b>54,40,000</b>	<b>73.91</b>	<b>54,40,000</b>	<b>51.88</b>
<b>(B) Promoter Group</b>					
1.	Sarojdevi Kabra	6,40,000	08.70	6,40,000	6.10
2.	Satyanarayan Jagannath Kabra	4,76,320	06.47	4,76,320	4.54
3.	Amarchand Rander	3,200	0.04	3,200	0.03
	<b>Total (B)</b>	<b>11,19,520</b>	<b>15.21</b>	<b>11,19,520</b>	<b>10.67</b>
	<b>Total (A+B)</b>	<b>65,59,520</b>	<b>89.12</b>	<b>65,59,520</b>	<b>62.55</b>

\*subject to finalisation of basis of allotment.

For further details, see ‘*Capital Structure*’ beginning on page 64.

## H. SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the restated financial statements for the financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022:

(₹ in lakhs unless otherwise stated)

Particulars	For the Period ended November 30, 2024	March 31, 2024	March 31, 2023	March 31, 2024
Equity Share Capital	736.00	46.00	46.00	46.00
Net Worth	3,986.78	3,105.88	2,166.24	1,725.66
Total Income	12,548.47	16,424.32	12,234.02	11,212.54
Profit after tax	880.89	939.64	440.58	540.46
Earnings per Share (Basic) (₹)	11.97	204.27	95.78	117.49
Earnings per Share (Adjusted) (₹)	-	12.77	5.99	7.34
Net Asset Value Per Share (₹) (Post Bonus Issue)	54.17	42.20	29.43	23.45
Long Term Borrowing	7,706.81	4,984.36	5,367.67	3,284.27
Short Term Borrowing	2,600.27	4,012.48	1,614.95	1,445.99
Total Borrowing (incl. short term and long-term borrowing)	10307.08	8996.84	6982.62	4730.26

For further details, see “*Other Financial Information*” on page 206.

#### I. AUDITOR QUALIFICATIONS NOT GIVEN EFFECT IN THE RESTATED FINANCIAL STATEMENTS

There are no audit qualifications which have not been given effect in the restated financial statements.

#### J. SUMMARY OF OUTSTANDING LITIGATIONS

Our Company, Promoters and Directors are involved in certain legal proceedings. A brief detail of such outstanding litigations as on the date of this Red Herring Prospectus are as follows:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material Civil Litigations	Aggregate amount involved (Rs in Lakhs)
<b>Company</b>						
By the Company	-	-	-	-	-	-
Against the Company	-	4	-	-	-	202.54
<b>Directors</b>						
By our Directors	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-
<b>Promoters*</b>						
By Promoters	-	-	-	-	-	-
Against Promoters	-	2	-	-	-	Unascertained
<b>Group Companies</b>						
By Group Companies	-	-	-	-	-	-
Against Group Companies	-	7	-	-	-	62.86

\*Our Promoters are also the directors of the Company. Hence litigations against them have not been included under the heading of directors to avoid repetition.

*Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Red Herring Prospectus. For further details, please refer to the chapter titled “Outstanding Litigations and Material Developments” on Page No. 225 of this Red Herring Prospectus.*

#### K. RISK FACTORS

Specific attention of the investors is invited to the section “*Risk Factors*” on page 26.

#### L. SUMMARY OF CONTINGENT LIABILITIES

As on the date of this RHP, there are no contingent liabilities and commitments of the company.

#### M. SUMMARY OF RELATED PARTY TRANSACTIONS

List of Related Parties & Related Party Transactions

<b>A. List of Related Parties</b>
<b>Associate Concerns/ Entities in which managerial personnel/relative of key managerial personnel have significant influence:</b>
i. Chandi Mahal
ii. Maya Texturies Pvt.Ltd
iii. The Goods Things in Life
iv. Disha Resources Limited
v. Krishna Awtar Kabra HUF
<b>Key Management Personnel</b>
i. Jyothi K Kabra
ii. Kailash K Kabra
iii. Rahul Shah (Chief Financial Officer)
<b>Relative of Key Management Personnel</b>
i. Krishna Awtar Kabra
ii. Rachana Amit Maheshwari
iii. Sarojdevi Kabra
iv. Mayadevi Kabra

Following is the summary of the related party transactions entered by the Company (based on Restated Financial Statements) for the period ended on November 30, 2024 and the financial year ended on March 31, 2024, March 31, 2023, and March 31, 2022:

Particulars			(Rs. In Lakhs)	(Rs. In Lakhs)		
Nature of Transaction	Related Parties	Relation	November 30, 2024	2023-24	2022-23	2021-22
<b>Remuneration (including bonus)</b>	Kailash Kabra	Key Managerial Personal	32.00	48.00	30.00	30.00
	Jyoti Kabra	Key Managerial Personal	20.00	30.00	18.00	18.00
	Rahul Shah	Chief Financial Officer	4.00	-	-	-
<b>Purchase net of Returns (Inclusive of GST)</b>	Chandi Mahal	Entity in which Appointed director interested	-	-	723.18	6.92
	J.B.Jewels	Entity in which Appointed director interested	-	-	-	4.87
	Sarojdevi Kabra	Relative of Key Managerial Personnel	0.44	-	-	-
<b>Professional &amp; Consultancy Expenses</b>	Rachna Amit Maheshwari	Relative of Key Managerial Personnel	32.00	-	-	-
<b>Purchase of Property, Plant &amp; Equipment</b>	Chandi Mahal	Entity in which Appointed director interested	-	25.94	-	-
<b>Rent Paid</b>	Kailash Kabra	Key Managerial Personal	26.75	40.12	40.12	40.12
<b>Sales net off Returns (Inclusive of GST)</b>	Chandi Mahal	Entity in which Appointed director interested	-	-	81.28	11.03

	Sarojdevi Kabra	Relative of Key Management Personnel	43.04	-	-	-
	Jyothi Kabra	Key Managerial Personal	18.09	240.82	-	-
	Krishna Awtar Kabra	Relative of Key Management Personnel	-	1.07	-	-
	Mayadevi Kabra	Relative of Key Management Personnel	32.00	134.11	-	-
<b>Loans Taken</b>						
	Kailash Kabra	Key Managerial Personal	9,130.13	46,944.03	17,890.75	20,716.33
	Maya Texturisers Private. Ltd	Entity in which Appointed director interested	-	2.00	16.00	43.95
	Disha Resources Limited	Entity in which Appointed director interested	114.00	654.50	460.00	522.19
<b>Loans Repaid</b>						
	Kailash Kabra	Key Managerial Personal	6,219.63	49,439.80	14,900.20	22,116.01
	Disha Resources Limited	Entity in which Appointed director interested	503.30	246.08	499.00	743.00
	Maya Texturisers Private. Limited	Entity in which Appointed director interested	5.53	12.91	30.20	7.50
<b>Loan Given</b>						
	The Goods things in Life	Entity in which Appointed director interested	-	-	2.30	-
	Krishna Awtar Kabra HUF	Entity in which Appointed director interested	3.96	21.35	-	-
<b>Loan Received Back</b>						
	The Goods things in Life	Entity in which Appointed director interested	-	-	2.30	-
	Krishna Awtar Kabra HUF	Entity in which Appointed director interested	3.96	21.35	-	-
<b>Interest Expenses</b>						
	Kailash Kabra	Key Managerial Personal	235.08	421.41	260.51	171.19
	Maya Texturisers Private. Limited	Entity in which Appointed director interested	12.06	17.70	17.63	14.58
	Disha Resources Limited	Entity in which Appointed director interested	16.20	28.96	24.95	32.61
<b>Remuneration or Salary Payable</b>						
	Kailash Kabra	Key Managerial Personnel	3.20	-	1.29	-
	Jyothi Kabra	Key Managerial Personnel	2.00	-	1.20	-
	Rahul Shah	Chief Financial Officer	0.48	-	-	-
<b>Payable for goods</b>						
	Chandi Mahal	Entity in which appointed director interested	-	-	585.71	-

<b>Outstanding Professional and Consultancy Expenses</b>	Rachana Amit Maheshwari	Relative of Key Managerial Personal	24.19	-	-	-
<b>Outstanding balance of Loan at the year end</b>	Kailash Kabra	Key Managerial Personal	4,589.83	1,467.76	3,584.27	359.26
	Maya Texturisers Private. Limited	Entity in which Appointed director interested	208.21	202.89	197.87	196.20
	Disha Resources Limited	Entity in which Appointed director interested	211.08	585.80	151.32	167.87

For further details, please refer to the Related Party Disclosures of chapter titled “Financial Information of the Company” on page 174 of this Red Herring Prospectus.

#### N. DETAILS OF FINANCING ARRANGEMENTS

There are no financing arrangements whereby the promoters, members of the Promoter Group, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Red Herring Prospectus.

#### O. WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS IN LAST ONE YEAR

The weighted average cost of acquisition of Equity Shares by our Promoter is set forth in the table below:

Name of Promoters	Total No. of Equity Shares held as on January 07, 2025	No. of Equity Shares acquired in the last one year	Weighted Average cost of acquisition (Rs.) per shares*
Kailash Kabra	40,00,000	37,70,000	Nil
Jyoti Kailash Kabra	14,40,000	14,40,000	Nil

\*As Certified by M/s. S. N. Shah & Associates, Chartered Accountants dated January 04, 2025.

#### P. AVERAGE COST OF ACQUISITION OF SHARES

The average cost of acquisition of Equity Shares by our Promoter is set forth in the table below:

Name of Promoters	Total No. of Equity Shares as of January 07, 2025	Average cost of acquisition (Rs.) per shares*
Kailash Kabra	40,00,000	2.83
Jyoti Kailash Kabra	14,40,000	Nil

\*As Certified by M/s. S. N. Shah & Associates, Chartered Accountants dated January 04, 2025.

#### Q. PRE-IPO PLACEMENT

Our Company is not considering any Pre-IPO placement of equity shares of the Company.

#### R. EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH

Except as stated below, our Company has not issued Equity Shares for consideration other than cash in the last one year.

<b>Date of allotment</b>	<b>No. of Shares allotted</b>	<b>Face value per Share (in ₹)</b>	<b>Issue price per Share (in ₹)</b>	<b>Nature of allotment</b>	<b>Benefits accrued to our Company</b>
August 09, 2024	69,00,000	10/-	NA	Bonus Issue (15:1)	Capitalization of Reserves and Surplus

**S. SPLIT/ CONSOLIDATION OF EQUITY SHARES**

Our company has not done any split/consolidation/ subdivision of equity shares of the Company since incorporation.

**T. EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

As on date of the Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

### **SECTION III: RISK FACTORS**

*An investment in our Equity Shares involves a high degree of risk. Prospective Investors should carefully consider all the information in the Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, but also to the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Our Business”, “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 109, 174 and 213 respectively of this RHP, as well as the other financial and statistical information contained in this RHP. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section.*

*This RHP also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this RHP. For further information, please refer to section titled “Forward Looking Statements” beginning on page 17 of this RHP.*

*Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements included in this RHP. For further information, please refer “Restated Financial Statements” on page 174 of this RHP. We have, in this RHP, included various operational and financial performance indicators, some of which may not be derived from our Restated Financial Statements and may not have been subjected to an audit or review by our Statutory Auditors. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in same business as of our Company in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Restated Financial Statements and other information relating to our business and operations included in this RHP.*

#### **Materiality**

*The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:*

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

*The financial and other related implications of risks concerned, whether quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.*

*In this Red Herring Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off.*

*In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Kabra Jewels Limited.*

## INTERNAL RISK FACTORS

**1. Our Company, Promoters and Directors are involved in certain legal proceedings. Any adverse outcome on such proceeding may affect our business, financial condition and reputation.**

There are outstanding legal proceeding against our Company, Directors and Promoters, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of the above proceedings.

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material Civil Litigations	Aggregate amount involved (Rs in Lakhs)
<b>Company</b>						
By the Company	-	-	-	-	-	-
Against the Company	-	4	-	-	-	202.54
<b>Directors</b>						
By our Directors	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-
<b>Promoters*</b>						
By Promoters	-	-	-	-	-	-
Against Promoters	-	2	-	-	-	Unascertained
<b>Group Companies</b>						
By Group Companies	-	-	-	-	-	-
Against Group Companies	-	7	-	-	-	62.86

*\*Our Promoters are also the directors of the Company. Hence litigations against them have not been included under the heading of director to avoid repetition.*

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour or that no additional liabilities will arise out of these proceedings. In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course of business or otherwise, in relation to our business operations, our intellectual property, our branding or marketing efforts or campaigns or our policies. We cannot assure you that such complaints, claims or requests for information will not result in investigations, enquiries or legal actions by any regulatory authority or third persons against us.

For further details of certain material legal proceedings involving our Company, our Promoters, our directors, see “*Outstanding Litigations and Material Developments*” beginning on page 225 of this Red Herring Prospectus.



**2. Our Company requires significant amount of working capital for continued growth. Our inability to meet our working capital requirements, on commercially acceptable terms, may have an adverse impact on our business, financial condition and results of operations.**

As on November 30, 2024, our Company had total sanctioned limit of Rs. 3,950 lakhs towards working capital facilities. For further details on our working capital facilities, see “Statement of Financial Indebtedness” on page 207 of this Red Herring Prospectus. Our business requires substantial amount of working capital to maintain adequate inventory levels at our 6 (six) showrooms. In addition to the requirement of funds as provided in “Objects of the Issue – To Meet working capital requirements” on page 75 we may need to obtain additional financing in the normal course of business from time to time as we expand our operations. We may not be successful in obtaining additional funds in a timely manner and/or on favourable terms including rate of interest, primary security cover, collateral security, terms of repayment, or at all. If we do not have access to additional capital, we may be required to delay, scale back or abandon some or all of our plans or growth strategies or reduce capital expenditures and the size of our operations may get constrained. Moreover, if we raise additional debt, our interest expense will increase and our debt covenants under our existing loans may be impacted. If we raise additional funds through the issuance of equity, your ownership interest in our Company will be diluted.

We have in the past, and we may even in the future, continue to rely on personal guarantees and securities from our Promoters and members of Promoter Group for certain financing arrangements entered into by us. There can be no assurance that in the future we will continue to receive financial support from our Promoters and members of Promoter Group or be able to secure alternative sources of financing.

Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. Further, our indebtedness means that a material portion of our expected cash flow may be required to be apportioned towards payment of interest on our indebtedness, thereby reducing the funds available to us for use in our business operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations.

**3. If we are unable to effectively manage our retail network and operations or pursue our growth strategy, we may not achieve our expected levels of profitability which may adversely affect our business prospects, financial condition and results of operations.**

We believe that the key to a successful business and building a brand is to reach out to newer customers, understand their requirements and deliver them the best of the products. Considering the above, our main strategy is to manage our retail network efficiently. However, if we fail to implement our growth strategy and manage our retail network effectively, we may not achieve our expected levels of profitability which may adversely affect our business prospects, financial condition and results of operations. Below is the showroom wise sales break – up of our products for the last three financial years:

<b>(Rs. In Lakhs)</b>				
<b>Sr. No.</b>	<b>Name of the Showroom</b>	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2022</b>
1.	KK Jewels Bridal and KK Jewels Diamond	9,199.27	10,196.47	11,208.04
2.	KK Jewels Gold	3,551.51	-	-
3.	KK Jewels Silver	1,946.78	-	-
4.	KK Jewels – Atarashi	1,029.48	1044.78	-
5.	KK Jewels - Silver Studio	498.87	515.19	-
6.	KK Jewels – Gandhidham*	174.26	470.64	-
<b>Total</b>		<b>16,400.17</b>	<b>12,227.07</b>	<b>11,208.04</b>

\*The showroom has been non-operational since April 01, 2024.

**4. Business Risk Due to Geographic Concentration**

A significant majority of the Company’s retail stores are located in Ahmedabad at Shivranjani Cross Road - 380015 and Ambali Bopal Road - 380054. This geographic concentration exposes the Company to potential risks associated with the local market. Any adverse economic conditions, changes in consumer preferences, regulatory changes, infrastructure issues, or natural disasters affecting Ahmedabad could have a material negative impact on the Company’s operations and financial performance. Furthermore, the Company’s reliance on a single city for a substantial portion of its revenue limits its ability to mitigate risks associated with local market fluctuations and

competition. If the economic conditions or consumer behaviour in Ahmedabad were to deteriorate, or if the Company's stores in this region were to face operational disruptions, the Company's results of operations, cash flows, and financial condition could be adversely affected.

**5. We do not own the registered office and showrooms from which we carry out our business activities. Any dispute in relation to use of these premises would have a material adverse effect on our business and results of operations.**

All our existing showrooms and offices in which we operate are obtained by us on rent. Additionally, our showroom called as KK Jewels Silver Studio, located at Unit No. 104, "ONE 42", Off Bopal Ambli Road, Opp Ashok Vatika, Bodakdev, Ahmedabad, Gujarat - 380054, India is not officially registered because the property is shared with another tenant who is unwilling to register the agreement. Further in the event of non-renewal of this rent or leave and license agreements as the case may be, our operations and profitability may be adversely affected. We cannot assure you that we will be able to continue the above arrangement on commercially favorable terms in future. If we are required to vacate the current premises, we would be required to make alternative arrangements for our offices, showrooms and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favorable terms.

If we are required to relocate our business operations during this period or in the event of inability or delay in relocating offices, showrooms and other infrastructure to the proposed new location, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition. For details on the duration of existing rent agreements for our showrooms and offices, please refer to Chapter titled "Our Business" beginning on page 109 of this Red Herring Prospectus. Further we confirm that there are no conflict of interest between the lessor of the immovable properties (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel and Directors.

**6. We have not entered into any agreements with our vendors and job workers (Karigars). Thus, any dispute or delay in getting the work done from the vendor and jobworkers could have a material adverse effect on our business, results of operations and financial condition.**

We design our products based on customer needs and have established arrangements with various vendors and job workers who manufacture products on our behalf using our design. Further, we have not entered into any agreements with our vendors and the job workers. In the past three financial years, we have not had any disputes with any karigars. Thus, any dispute or delay in future in getting the work done from the job workers could result into inventory mismanagement which could have a material adverse effect on our business, results of operations and financial condition.

Particulars	FY 2021-2022	FY 2022-2023	FY 2023-2024
Number of Vendors	182	206	255
Number of Job workers (Karigars)	1	1	1

The Issuer Company operates seven retail showrooms within the same vicinity. In line with standard practices in the gems and jewellery industry, a single lead job worker is appointed for the entire process, from order creation to delivery, serving as the sole point of contact. This lead job worker oversees a team of various workers who report directly to him. The lead job worker takes responsibility for getting the work done by utilizing his own karigars or by hiring additional karigars as needed. Once the work is completed, he then issues an invoice to us or exchanges gold for gold used in the jewellery. Since we primarily coordinate with the lead job worker, who manages his own team, we have referred to him as a 'single job worker'.

Further, we have not entered into any agreements with our vendors and the job workers. In the past three financial years, we have not had any disputes with any karigars. Thus, any dispute or delay in future in getting the work done from the job workers could result into inventory mismanagement which could have a material adverse effect on our business, results of operations and financial condition.

**7. Orders placed by customers may be delayed, modified, cancelled or not fully paid for, which may have an adverse effect on our business, financial condition and thereby on our results of operations.**

We may encounter predicaments in executing the orders placed by our customer or executing it on a timely basis. Moreover, there are factors which may be beyond our control or in the control of our customers, including delays

or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions, which may result in the postponement of executing or delivering of the necessary product(s) or cause its cancellation. Further, even though we execute orders as placed by our customers, the order could be cancelled or there could be any changes in delivery of the products. We rely significantly on our vendors and job workers for the manufacturing of our products. There is a risk that these vendors and job workers may prioritize other clients over us, potentially causing delays in the execution of our orders. Such delays could adversely affect our business operations and financial performance. Accordingly, it is difficult to predict with certainty if, when and to what extent the delivery of the orders placed will be made. Failure to deliver our orders on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our revenue, cost of operation and thereby our business functioning.

**8. *Our gold and jewellery business faces risks from market volatility and changing consumer preferences. Fluctuations in commodity prices like gold could impact our costs and profitability. Evolving consumer tastes influence product demand, necessitating continuous adaptation to remain competitive.***

Our gold and jewellery business face heightened risk due to market volatility and shifting consumer preferences, compounded by the current record-high gold rates that may continue to rise. Fluctuations in commodity prices, especially in gold, directly impacts our cost of goods sold and overall profitability. The current peak in gold prices presents a particular challenge, as further increases could escalate our COGS costs, potentially squeezing profit margins unless we adapt our pricing strategies accordingly. Conversely, sudden declines in gold prices could impact inventory valuation and profitability, especially if we have materials acquired at higher costs. The average cost of acquisition of gold for the past 3 financial years is as follows:

Particulars	FY 2021-2022	FY 2022-2023	FY 2023-2024
Avg cost of Acquisition of Gold per gram (in Rs.)	5163.56	6149.87	6723.91

In addition to market volatility, evolving consumer tastes and preferences in jewellery design pose ongoing challenges. Consumer preferences can swiftly change in response to fashion trends, cultural influences, and aesthetic shifts. Our success in the market hinges on our ability to anticipate and respond effectively to these changes, offering products that resonate with current consumer demands. Failure to do so could result in excess inventory, reduced sales, and decreased market relevance over time.

Given the current peak in gold rates and the unpredictability of consumer preferences, our business must remain adaptable and agile to navigate these risks successfully. It is essential to closely monitor market conditions, adjust pricing strategies accordingly, and continuously innovate to ensure our products remain appealing and competitive in the dynamic jewellery industry landscape.

**9. *Our income and sales are subject to seasonal fluctuations and lower income in a peak season may have a disproportionate effect on our results of operations.***

Our industry has seasonal increases and decreases in revenues and profitability, corresponding with weddings and festivals. Our sales have historically exhibited certain seasonal fluctuations, reflecting higher sales volumes on festivals and other occasions such as Dusshera, Akshay Tritiya, Dhanteras, Diwali etc. which occur in the third and fourth quarter of the fiscal year. This period also coincides with the wedding season in India. While we stock certain inventory to account for this seasonality, our fixed costs such as lease rentals, employee salaries, showroom operating costs and logistics-related expenses, which form a significant portion of operating costs, are relatively constant throughout the year. Consequently, lower than expected net sales during the third or fourth quarters of the financial year or more pronounced seasonal variations in sales in the future could have a disproportionate impact on our operating results for the fiscal year, or could strain our resources and impair our cash flows. Any slowdown in demand for our jewellery during peak seasons or failure by us to accurately anticipate and prepare for such seasonal fluctuations could have a material adverse effect on our business, financial condition and results of operations.

**10. *We undertake sales on credit terms to a limited number of customers and defaults in payment of the dues by such customers could have an adverse effect on our business, results of operations and financial condition.***

We undertake sales on credit terms to a limited number of customers as a part of our business operations. The trade receivable for the last three financial years is as follows:

(Rs. in Lakhs)

Particulars	2024	2023	2022
Revenue from operations	16,400.17	12,227.07	11,208.04
Trade Receivable	628.77	313.36	123.14
No. of Customers to whom the sales is made and outstanding as on respective March 31	77	40	27
Trade receivables as a % of revenue from operations	3.83%	2.56%	1.10%

As a result, these customers become our debtors, and we rely on their timely payments to manage our cash flow, working capital, and meet operational requirements. There is a risk associated with the possibility of defaults or delayed payments by our debtors, which could have a material adverse effect on our financial position, results of operations, and liquidity.

In the event of non-payment or delayed payment by these customers, we may face challenges in managing day-to-day operations, including fulfilling financial obligations and funding growth initiatives. Our ability to collect outstanding amounts from our debtors is crucial to maintaining a cash flow and supporting ongoing business activities. If we experience defaults or significant delays in payments, it may adversely impact our ability to meet our working capital needs and could negatively affect our profitability and financial condition.

However, there have been no such instances of bad debts return off in the past, there can be no assurance that we will be able to recover all amounts due from our debtors, which could lead to further financial strain or require us to take additional steps to mitigate the impact of such defaults.

**11. Our Jewellery business is dependent on factors affecting consumer spending habit that are out of our control.**

Jewellery purchases are discretionary and are often considered as luxury purchase. Consequently, our business is sensitive to a number of factors that influence consumer spending habit which includes general economic conditions, consumer confidence in future economic conditions, recession and fears of recession, consumer debt, unstable consumer income, conditions in the housing market, interest rates, inflation. Any fall in demand or a decline in the consumer spending habit on jewellery could adversely affect our business, financial condition and results of operations.

**12. If we fail to anticipate, identify or react appropriately or in a timely manner to the changing trends in the jewellery industry, we could experience reduced consumer acceptance of our products, a diminished brand image, higher markdowns and costs to recast overstocked jewellery.**

Our success depends on the ability of our design team to identify, originate and define product and market trends, as well as to anticipate, gauge and react to rapidly changing consumer demands in a timely manner. We cannot assure you that we can consistently keep up with industry trends. If we fail to anticipate, identify or react appropriately or in a timely manner to customer buying decisions, we could experience reduced consumer acceptance of our products, a diminished brand image, higher markdowns and costs to recast overstocked jewellery. These factors could result in lower selling prices and sales volumes for our products, which could adversely affect our financial condition and results of operations.

**13. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.**

Our business operations require us to maintain large amounts of inventory at all our showrooms at all times. Our operations may be subject to incidents of theft or damage to inventory in transit, prior to stocking or during showroom stocking and display. Although we have set up various security measures, including tagging our products, CCTV in showrooms, armed security guards and follow stringent operational processes such as a routine for stock taking, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition. Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance

policies, it could have a material adverse effect on our business, results of operations and financial condition. There have been no instances incurred in the past relating to fraud or theft or employee negligence or similar incidents which may have adverse effect on the financial condition of the company.

**14. Our insurance may be insufficient to cover all losses associated with our business operations.**

Our insurance policies currently cover insurance of the stock at the premises of our showrooms and vehicles used for business purpose. Notwithstanding the insurance coverage that we carry, we may not be fully insured against abnormal business risks. However, in the last three financial years there have been no instances where the company has incurred losses due to any events which was greater than the insurance policy limits.

Following is the summary of the insurance policies of our Company:

Sr. No.	Name of the Insurance Company	Validity period	Policy No.	Sum Insured (₹)	Description of cover under the policy
1	IFFCO - TOKIO General Insurance Company Limited	12/08/2024 to 11/08/2025	48047699	1,61,00,00,000	Stock Insurance and Jewelers Block Protector Policy
2	Zuno General Insurance Limited	01/11/2023 to 31/10/2024	900562981	6,37,200	Vehicle Insurance
3	Zuno General Insurance Limited	21/01/2024 to 20/01/2025	900609600	4,05,000	Vehicle Insurance
4.	ICICI Lombard	01/06/2024 to 30/06/2025	3001/349245142/00/000	30,00,000	Vehicle Insurance
5.	Zuno General Insurance Limited	12/04/2024 to 11/04/2025	900653214.	5,32,665	Vehicle Insurance
6.	TATA AIG General Insurance Company Limited	30/11/2023 to 29/11/2024	6202221427 00 00	6,01,958	Vehicle Insurance
7.	Zuno General Insurance Limited	22/04/2024 to 21/04/2025	900656505	5,32,665	Vehicle Insurance
8.	HDFC ERGO General Insurance Company Limited	02/05/2024 to 01/05/2025	2302 2063 7788 3300 000	19,63,500	Vehicle Insurance
9.	ICICI Lombard	29/06/2024 to 28/06/2025	3001/O/348632143/00/000	66,00,000	Vehicle Insurance
10.	LIBERTY General Insurance Limited	04/01/2024 to 03/01/2025	2011400201237035656 00 000	17,00,000	Vehicle Insurance
11.	HDFC ERGO General Insurance Company Limited	21/03/2024 to 20/03/2025	2302 2053 0946 2800001	45,00,000	Vehicle Insurance

There are many events that could significantly impact operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that

is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected. For details, please see “Our Business - Insurance” on page 140.

**15. *Our offices and showrooms are located only in Ahmedabad, Gujarat, India. Any adverse development affecting such region may have an adverse effect on our business, prospects, financial condition, and results of operations.***

Our offices and showrooms are located only in Ahmedabad, Gujarat, India. Our business is highly vulnerable to regional conditions and economic downturns in the region. Any unforeseen events or circumstances that negatively affect this area could materially adversely affect our sales and profitability. These factors include, among other things, changes in demographics, population and income levels. In addition, our business may also be susceptible to regional natural disasters and other catastrophes, such as fires, riots, political unrest or terrorist attacks.

Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the local governments in this region could adversely affect operations at our offices and the showrooms. Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods, droughts, or diseases heightened or particular to the region, may adversely impact the supply of raw material to our vendors and/or job workers, end-products, local transportation and operations at our offices and showrooms. Such disruptions to supply would materially and adversely affect our business, profitability and reputation. However, there have been no instances of adverse development affecting regions where our office and showrooms are located which may have adverse impact on our business, prospectus, financial condition and results of operations of the company.

**16. *We face significant competition in the Indian jewellery market, we risk losing substantial portion of our customers and our market share which will adversely affect our business, financial condition, results of operations and prospects.***

Competition in the retail Indian jewellery industry is significant. We operate in highly competitive and fragmented markets, and competition in these markets is based primarily on market trends, pricing and customer preferences. The players in the retail jewellery sector in India often offer their products at highly competitive prices and many of them are well established in their local markets.

Some of our competitors may be larger than us in terms of business volume and may have greater capital, technical capabilities and financial and other resources than us which may enable them to secure opportunities at lower prices or to otherwise incentivize the buyers. In addition, our competitors that are less specialized entities may compete effectively against us in a particular region based on price, size and established regional trust with the local customers.


Our larger competitors may provide promotional offers to customers, particularly during festivals, which we may not be able to compete with and which, accordingly, could result in, amongst other things, loss of our customers or failure to attract new customers, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Our principal competitive factors include brand name, product style, product range, quality, display, price transparency, personalized service to our customers, showroom location, designs suited to local preferences, advertising and promotion. We cannot give any assurances that we will be able to compete successfully on all of these factors against existing or future competitors in the future.


Customer acquisition and retention remain key focus areas for us. We compete for customers, based on various factors, including design of our jewellery, pricing, quality of our jewellery and after sales service. If we do not compete in these areas effectively, this could lead to a decrease in our market share, experience downward pressure on prices and an increase in our marketing and other expenses. This could adversely affect our profitability, as it would cause us to experience lower revenue and additional selling costs to replace customers and recapture the lost revenue. Aggressive discounting by competitors on e-commerce platforms and at other brick and mortar stores may force us to reduce our prices in order to remain competitive and grow, which may thereby adversely impact our results of operations. The pricing of gold jewellery in particular is extremely competitive due to its objectively verifiable value, resulting in us having limited control over pricing of gold jewellery. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition, results of operations and prospects.

Further, the jewellery retailing industry in India has traditionally been dominated by family-owned standalone showrooms, which operated largely on trust. A significant portion of such jewellery retailers in the unorganised sector operate through partnerships/ proprietary concerns, as compared to our Company, which is regulated by the provisions of the Companies Act. Such corporate structures may offer our competitors in the unorganized sector more flexibility, particularly in terms of access to capital, amongst other things. We cannot assure you that we will be able to compete with the unorganized sector effectively, which could adversely affect our business, results of operations, financial conditions and prospects.


**17. We may not be able to protect our trademark from infringement.**



We have  brand name and logo as registered trademark in India. Although we take steps to monitor the possible infringement or misuse of our trademark, it is possible that third parties may infringe, dilute or otherwise violate our trademark rights. Any unauthorized use of our trademark could harm our reputation or commercial interests. In addition, our enforcement against third-party infringers or violators may be unduly expensive and time-consuming, and any remedy obtained may constitute insufficient redress relative to the damages we may suffer. For details, see “Government and Other Approvals” on page 233.

**18. The trademark of  was registered under the name of the Promoter and Director Mrs. Jyoti Kabra and was subsequently transferred through an assignment deed.**



The trademark of  originally registered under the name of Promoter and Director Mrs. Jyoti Kabra, was later assigned to our Company through a deed of assignment. However, according to the terms of the trademark assignment agreement, the license can be revoked if there is any failure by the licensee to maintain the quality and standards of the products as prescribed by the licensor, potentially resulting in the loss of our brand and customers. Such a scenario could adversely impact our business, operational results, and financial condition.

**19. In the past, there have been discrepancies in filings with the Registrar of Companies (RoC) and other non-compliances under the Companies Act, which may result in penalties. Further, we have filed a compounding application with the MCA for such non-compliance.**

There was a non-compliance reported by the practicing Company Secretary in their search report dated September 11, 2024 for the financial year 2022-23. These include the violation of provision under Section 134(3)(o) of the Companies Act, 2013. Certain forms were also filed late with the Registrar of Companies, which we have since rectified by filing and paying the additional fees.

Financial Year	Name of the ROC Form	Due date of Filing	Actual date of Filing	Number of days delay in filing	Interest/ Penalty (In ₹)	Reason for delay
2010 -11	FORM 23AC	29/10/2011	11/11/2011	13	1000	Due to Inadvertence
2011-12	FORM 20B	28/11/2012	25/12/2012	27	1000	
2014-15 to 2018-19	FORM ADT-1	14/10/2014	29/10/2014	15	600	
2017-18	FORM CHG-1	03/11/2017	21/12/2017	48	1200	
2018-19	FORM ADT-1	14/10/2018	29/10/2018	15	600	
2021-22	FORM AOC-4 XBRL	29/10/2022	27/11/2022	29	2900	
2022-23	FORM AOC-4 XBRL	29/10/2023	18/11/2023	20	2000	
2022-23	FORM DPT-3	30/06/2023	29/08/2024	426	7200	
2022-23	FORM CSR-2	31/03/2024	04/09/2024	157	0	
2023-24	FORM CHG-1	09/06/2023	18/10/2023	131	3600	
2024-25	FORM DPT-3	30/06/2024	29/08/2024	60	2400	
2024-25	FORM INC-27	25/05/2024	07/08/2024	74	2400	

On September 9, 2024, Our Company filed a suo moto compounding application with the MCA pursuant to Section 441 of the Companies Act, 2013 for compounding of violation of provision under Section 134(3)(o) of the Companies Act, 2013. Further, the said compounding application had expired. Therefore, the Company has filed fresh application on October 10, 2024 and the application is under process with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

There can be no assurance that MCA will compound this offence in a timely manner or at all. In the event that we are subject to any penalties or other regulatory actions in relation to the abovementioned compounding application, our reputation, business and results of operations could be adversely affected. Further, we cannot assure you that such lapses will not occur in the future and that we will not be subject to further penalties or other regulatory action.

**20. *Our independent directors do not have any prior experience of directorship in any of the listed entities.***

None of our independent directors possess experience of being on the board of any listed company and accordingly, may not be adequately well-versed with the activities or industry practices undertaken by the listed company. We cannot assure you that this lack of adequate experience will not have any adverse impact on the management and operations of our Company. Further, our Company will also be subject to compliance requirements under the SEBI Listing Regulations and other applicable law post listing of the Equity Share on the Stock Exchanges.

**21. *The Company's high debt-to-equity ratio may limit financial flexibility, increase borrowing costs, and expose it to heightened risks during adverse economic conditions.***

The Company has maintained a high debt-to-equity ratio of 2.90, 3.22, and 2.74 for FY 2024, FY 2023, and FY 2022, respectively. A high debt-to-equity ratio indicates significant reliance on borrowed funds, which may expose the Company to financial and operational risks. Increased debt levels could limit our ability to obtain additional financing on favourable terms, increase our interest payment obligations, and reduce our financial flexibility.

In the event of adverse economic conditions, fluctuations in interest rates, or business downturns, our ability to service this debt could be impacted, potentially leading to liquidity challenges, default on debt obligations, or the need to refinance on unfavourable terms. These factors could adversely affect our financial condition, results of operations, and future growth prospects. Furthermore, any deterioration in our credit profile may affect our access to capital and could result in higher borrowing costs or restrictive covenants from lenders, limiting our operational flexibility and profitability.

**22. *Lack of Track Record of the Book Running Lead Manager (BRLM) in managing or handling public issues.***

The Book Running Lead Manager (BRLM) for this IPO does not have a prior track record of managing or handling public issues. This lack of experience in executing such offerings could pose potential risks such as pricing, timing, and overall management of the offering process. Although, the BRLM possesses the requisite qualifications and expertise, their limited experience in handling public offerings may result in unforeseen obstacles. These could include difficulties in attracting investors and efficiently managing with intermediaries such as stock exchange, registrar to the issue, depositories, and publication agencies. Additionally, there can be no assurance that the BRLM will be able to smoothly navigate any regulatory requirements or market dynamics that may arise during the course of the issue. Any such challenges could negatively impact the execution or overall outcome of the IPO.

**23. *We do not register our jewellery designs under the Designs Act, 2000 and we may lose income if our designs are duplicated by competitors.***

As our industry is fashion oriented, there is a constant need for innovation and trend setting. Jewellery designs change on a frequent basis and therefore we do not register the designs used by us, under the Designs Act, 2000.

A major criterion of our product differentiation from other jewellery products is the designs we use in our jewellery products. These designs are made and finalized by a combination of our in-house designers and the manufacturer/ job workers. Since these designs are not registered under the Designs Act, 2000, we face the risk of our designs being copied, partially or entirely, by our competitors, resulting in us losing one of our important strengths. In the absence of registration under the Designs Act, 2000, we cannot protect our designs by invoking any law on our competitors for duplicating our designs, resulting in a loss of income, thus affecting our results of operation and financial condition. Further, we believe that efforts to protect our intellectual property may not be



adequate and we may not be able to detect unauthorized use or take appropriate and timely steps to enforce intellectual property rights either owned by us or those that we have right to use. We may also be subject to litigation by our competitor or other industry players for copying their designs and in absence registration of our designs, we may not be able to protect or defend our case.

We may inadvertently develop a design already registered by a third party, which may require us to either stop the manufacture & sale of such jewellery or be a part of lengthy litigation to defend the same. In both scenarios, we may be subject to losses due to legal costs, stay on sale of certain products and / or both. Further, if any litigation is proved against us, we may be subject to penalty and / or compensation which may adversely affect our cash flows. While we take care to ensure that we comply with the intellectual property rights of third parties and that there are no pending claims against us for infringement of third-party intellectual property rights, we cannot determine with certainty whether we are infringing upon any existing third-party intellectual property rights. Any claims of infringement, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. As a result of such infringement claims, we could be required to pay third party infringement claims, alter our technologies, change the brands under which we distribute our products, obtain licenses or cease some portions of our operations. The occurrence of any of the foregoing could result in unexpected expenses and thus adversely affect our financial condition.

**24. We have entered into, and will continue to enter into related party transactions. We cannot assure you that such transactions, individuals or in the aggregate, will not have an adverse effect on our business, financial condition, cash flows and results of operations.**

We have in the past entered into related party transactions and may continue to do so in the future, subject to relevant compliances under applicable laws and rules as amended, which may potentially involve conflicts of interest with the equity shareholders.

We have in the course of our business entered into transactions with related parties. All such related party transactions in the past were done in an arm's length basis and we may continue to do so in the future. For Details of the related party transactions for the Financial Years 2024, 2023 and 2022 respectively, see "Restated Financial Statements – Notes forming part of the Restated Financial Statements - Note: "AB" "List of Related Parties and related party transactions" on page no. 202. We cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is possible that we may enter into related party transactions in the future. We cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, cash flows and results of operations or that we could not have achieved more favourable terms if such future transactions had not been entered into with related parties. We cannot assure you that our Directors and officers will be able to address such conflicts of interests or others in the future.

**25. We have availed unsecured loans from Promoters and third parties that are recallable, at any time.**

As on March 31, 2024, we have unsecured loans amounting to ₹ 2,827.41 lakhs from promoters and third parties which are repayable on demand. Further, these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the Company. Our Company has availed cash credit facilities from Banks are repayable at demand. For further details of unsecured loans of our Company, please see "Statement of Financial Indebtedness" on page 207.

**26. We have experienced negative cash flows in the past, and we may have negative cash flows in the future.**

Our Company had reported certain negative cash flows in previous years as per the Restated Financial Information, as stated below:

Particulars	For the period ended November 30, 2024	(Rs. In Lakhs)		
		For the year ended March 31		
		2024	2023	2022
Net Cash generated from/ (used in) Operating Activities	(1,939.94)	1,581.04	(1,243.81)	221.14

Net Cash generated from/ (used in) Investing Activities	(134.57)	(239.07)	(282.37)	(696.84)
Net Cash generated from/ (used in) Financing Activities	2,029.80	(1,202.32)	1,538.64	457.38

Our net cash flows from operating activities for the financial year 2023 have been negative, primarily due to start of operations in new showrooms established by the company. As a result, inventory of the company has increased by Rs. 3,994.54 lakhs as compared to Restated Financial Year ended 2021-22.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. Since our Company is in a growth phase, our working capital requirement has increased in tandem and this has resulted in negative cash flow from operations in the Financial Years ended March 31, 2024, 2023 and 2022. We may continue to have negative operating cash flows in future. If our Company is not able to generate sufficient operating cash flows, it may adversely affect our business and financial operations. For further details, see "Restated Financial Statements" on page 174.

**27. We could face customer complaints or negative publicity about our customer service.**

Customer complaints or negative publicity about our customer service could diminish consumer confidence in, and the attractiveness of, our Company and brand. We interact with customers across all of our showrooms and consistently strive to maintain high standards of customer service. However, we periodically have experienced customer disputes and receive complaints, which we endeavor to resolve through prompt and effective customer service. Any inability by us to properly manage or train our sales staff, and managerial personnel who handle customer complaints and disputes could compromise our ability to handle customer complaints effectively in the future. If we do not handle customer complaints effectively, our reputation may suffer, and we may lose our customers' confidence, which could have a material adverse effect on our business, financial condition and results of operations. However, there have been no instances where the customer has raised a complaint or has done negative publicity about our customer service.

**28. Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.**

For our business operations, our results of operations are dependent on our ability to effectively manage our inventory. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of merchandise or an accumulation of excess inventory. Further, if we fail to sell the inventory, we may be required to recycle our inventory, which would have an adverse impact on our income and cash flows.

Our management system ensures a smooth movement of inventory based on the demand, customer preference and orders. Our inventory management systems are well equipped and follows a very systematic and efficient method to determine a real-time visibility into our inventory, thus providing our management with useful inputs and suggestions to handle the inventory and its movement during peak times such as wedding seasons and specific festival times such as Dhanteras, Akshaya Trithiya, Dussehra and Diwali.

**29. In addition to our existing indebtedness for our existing operations, we may incur further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.**

In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favorable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions,

penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled — “*Statement of Financial Indebtedness*” on page 207 of this Red Herring Prospectus.

**30. *The strength of our brands is crucial to our growth and success and we may not succeed in continuing to maintain and develop our brands.***

Our business and results of operations are influenced by the strength and popularity of our brand called “KK Jewels”, including the level of consumer recognition and perception of our brands in the mind of varied customers. We believe that in the business of jewellery the value and the trust of a brand plays a very important role in the overall growth of the business and its result of operations. The strength of our brands depends on factors such as our growth, our product designs, the materials used to make our products, the quality of our products, the designs, the distinct character and presentation of our products as well as the presentation and layout of our showrooms. Public communication activities such as advertising, public relations, promotions, offers and marketing as well as the general perception of our business also impact our brands. Failure to manage any of the above factors or failure of our promotional and allied activities to differentiate and further strengthen our brands could adversely affect the value and perception of our brands and our ability to maintain existing customers and attract new customers, and, as a result, have a material adverse effect on our business, results of operations and financial condition. The sales promotion and advertisement expenses for the period ended for FY 2024, FY 2023 and FY 2022 are Rs. 105.48 Lakh, Rs. 119.29 Lakh and Rs. 49.55 Lakh respectively.

We may face negative brand publicity and brand dilution to the extent we fail to develop, promote and position our brands effectively and consistently in the competitive market, with respect to new products, current products, various range of offerings or any new product categories. However, there can be no assurance that our advertising or marketing efforts are or will be successful at all times and may result in increased sales. Furthermore, there can be no assurance that our marketing efforts will succeed in maintaining our brand and its perception with customers.

**31. *If we fail to convert existing customers into repeat customers or to acquire new customers, our business, financial condition, and results of operations would be harmed.***

Our business continuity and profitability is dependent on ensuring that our existing customers base is converted to repeat customers and simultaneously we continue to add new customers to our customer base which majorly consists of individuals. This is mainly dependent on our product offerings, brand value, goodwill, quality of products, price point, promotions, marketing, word of mouth and various other factors. It is imperative for our business to ensure that we have repeat customers and also that we reach out to new customers. We cannot ensure that steps taken by us for our business and the brand will attract repeat customers or new customers. Our failure to achieve this will have an impact on our business, profitability and results of operations.

**32. *Change in technology may affect our business and financial condition.***

We outsource the manufacturing work of our jewellery products to third parties on job work basis. Change in industry requirements or competitive technologies may render the existing technologies of our vendors or job workers obsolete. The ability of vendors or job workers to adhere to technological changes and standards successfully and on timely basis will play a significant factor in our ability to grow and to remain competitive. We, however, cannot assure you that our existing vendors and job workers will be able to adhere to such technological changes on timely basis and that we will be able to do business with new vendors and job workers who has adopted updated technology. We are also subject to risks generally associated with the introduction of new products and their applications, including lack of market acceptance, delay in product development and failure of products to operate properly. Our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and financial results.

**33. *Any failure of or disruption to our information technology systems could adversely impact our business and operations.***

We rely on our information technology (“IT”), systems to provide us with connectivity across our business functions and showrooms through our software, hardware and network systems. Our business processes are IT - enabled. Our jewellery is typically tracked by radio-frequency identification tags tracking system that uses smart barcodes in order to identify jewellery items.

We utilise computer systems in each of our showrooms to track and monitor each piece of inventory, which are further linked to our RFID Tag. Any failure in our IT systems or loss of connectivity or any loss of data arising from such failure could disrupt our ability to track, record and analyze inventory, process financial information, manage creditors/debtors or engage in normal business activities, which could have a material adverse effect on our operations. Although we have not experienced any material failure in our IT systems, there can be no assurance that our IT systems will not suffer a material failure in the future. We are also susceptible to potential hacking or other breaches of our IT systems. As a result, failure to protect against technological disruptions of our operations could materially and adversely affect our business, financial condition and results of operations. We also maintain significant amounts of customer data that we collect in order to promote our brand and direct targeted advertisements to potential customers. Any breach of our IT systems or misuse by employees could result in the loss or disclosure of confidential information, damage to our reputation, litigation or other liabilities.

Furthermore, we individually tag each item that is sold at our showrooms, which enables us to track, record and analyze sales of our products to customers across all of our showrooms. Any delay or disruption in our IT systems, could have a material adverse effect on our business, financial condition and results of operations. Further, any failure, disruption or manipulation of our tagging system could disrupt our ability to track, record and analyze sales of our products, which could have a material adverse effect on our business. However, there have been no instances in the past where there has been failure or disruption in information technology adopted by the company which could adversely impact business and operations of the company.

We also have a website, <https://kkjewels.org/http://www.kkjewels.org/>. Many of our control systems are dependent on third party software and technology. Our website and third-party software may be subject to damage, software errors, computer viruses, security breaches and the delayed or failed implementation of new updates. Damage or interruption to our third-party and other control systems may require a significant investment to fix or replace them, and we may suffer interruptions in our operations as a result.

**34. *We are heavily dependent on our Promoters and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.***

Our success heavily depends upon the continued services of our Key managerial personnel, along with support of our Promoters. We also depend significantly on our Key Managerial Persons for executing our day to day activities. The loss of any of our Promoters and Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section “*Our Management*” on page 156 of this Red Herring Prospectus.

**35. *We may not be successful in implementing our business strategies.***

The success of our business will depend greatly on our ability to effectively implement our growth strategies. For further details on our strategies, see “*Our Business — Our Strategies*” on page 134. There can be no assurance that we will be able to successfully execute our strategies, which may adversely affect our business, financial condition, cash flows and results of operations.

We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and strategies could have an adverse effect on our business, financial condition, cash flows and profitability.

**36. *Our culture and values have been critical to our success and if we cannot maintain this culture and our values as we grow, our business and reputation could be adversely affected.***

We believe that our culture and values have been critical to our success. We may face a number of challenges that may affect our ability to sustain our corporate culture and values, including a potential failure to attract and retain employees who embrace and further our culture and values, any expansion into additional markets and competitive pressures that may divert us from our priorities, vision and integration of new personnel.

While we aim to build a fair, admired, compliant and performing culture with regular education and training to employees, including zero tolerance of any violations around our code of conduct (including on the prevention of

sexual harassment), there could be violations which could affect our reputation and impact our cultural fabric. Any unethical or illegal employee actions and behaviour may harm our reputation and possibly expose us to sanctions or penalties. Employee misconduct, fraud or error could harm us by impairing our ability to attract and retain consumers and we may be subject to significant legal liability and reputational harm. If we are not able to maintain our culture and values as we continue to grow, our business, financial condition, cash flows and results of operations could be adversely affected.

**37. *In case of our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business it may have a material adverse effect on our business.***

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits at state and central government levels for doing our business. The approvals, licenses, registrations and permits obtained by us may contain conditions. Further we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or need to update pursuant to change in name and conversion of company to public Company.

While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities, there can be no assurance that the relevant authority will issue or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could result in cost and time overrun or which could affect our related operations. However, there have been no instances in the past where we were unable to obtain or renew or maintain the statutory and regulatory licenses, permits and approvals which are required to operate the business and which may have a material adverse effect on financial condition or results of operations of the company.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavor to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty. For further details regarding the material approvals, licenses, registrations and permits, see “*Government and Other Approvals*” on page 233 of this Red Herring Prospectus.

Furthermore, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations.

**38. *Our Promoters will continue to retain significant shareholding in us after this Offer, which will allow them to exercise significant influence over us and any substantial change in our Promoters’ shareholding may have an impact on the trading price of our Equity Shares which could have an adverse effect on our business, financial condition, results of operations and cash flows.***

Following the completion of the Offer, our Promoters will continue to hold a significant percentage of our Equity Share capital. Our Promoters will, therefore, be able to control the outcome of matters submitted to our Board or Shareholders for approval. After the Issue, our Promoters will continue to exercise significant control or influence over our business and major policy decisions. The trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoter.

As at the date of this Red Herring Prospectus, our Promoters together hold 54,40,000 Equity Shares, or 73.91 % of our issued, subscribed and paid-up Equity Share capital on a fully diluted basis. Upon completion of the Offer, our Promoter will hold 51.88 % of our Equity Share capital. For details of our Equity Shares held by our Promoters, see “*Capital Structure — Notes to the Capital Structure — History of the equity share capital held by our Promoters*” on page 64.

Accordingly, our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders’ approval, including the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders.

The interests of the Promoters as our controlling shareholders could conflict with our interests or the interests of our other shareholders.

**39. *The average cost of acquisition of Equity Shares by our Promoters, could be lower than the issue price.***

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price decided by the Company in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please see "*Capital Structure*" on page 64 of this Red Herring Prospectus.

**40. *Our Promoters, Directors and Key Management Personnel may have interests other than reimbursement of expenses incurred and receipt of remuneration or benefits from our Company. Certain of our Promoters and Directors may have interest in entities, which are in businesses similar to ours and this may result in conflict of interest with us.***

Certain of our Promoters, Directors and Key Management Personnel are interested in us, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and our stock options and benefits arising therefrom. Our Promoters are also interested in us to the extent of their shareholding in us and any benefits arising therefrom. Further, certain of our Promoters and Directors may have interest in entities to the extent of their shareholding and/or directorships, which are in businesses similar to ours and this may result in conflict of interest with us.

**41. *Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.***

Our Company is engaged in retail business of jewellery which attracts tax liability such as Goods and Service Tax, Income Tax, and Professional Tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund and ESI. However, we have deposited the required returns under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

**42. *There is no monitoring agency appointed by our Company and deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.***

The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of Our Company. Since, the Issue size is less than ₹10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised from this Issue, is hence, at the discretion of the management and the Board of Directors of Our Company and Our Company's management will have flexibility in applying the proceeds of the Issue and will not be subject to monitoring by any independent agency. The fund requirement and deployment mentioned in the Objects of the Issue is based on internal management estimates and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials. However, our Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. Also, in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without the Company being authorized to do so by our shareholders by way of special resolution and other compliances as applicable in this regard. Our Promoters shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**43. *Delay in raising funds from the IPO could adversely impact the implementation schedule.***

The proposed expansion, as detailed in the section titled "*Objects of the Issue*" is to be largely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given timeframe, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

**44. *Our actual results could differ from the estimates and projections used to prepare our financial statements.***

The estimates and projections are based on and reflect our current expectations, assumptions and/ or projections as well as our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. There can be no assurance that our expectations, estimates, assumptions and/or projections, including with respect to the future earnings and performance will prove to be correct or that any of our expectations, estimates or projections will be achieved.

## **EXTERNAL RISK FACTORS**

### ***45. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.***

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

### ***46. Our business could be affected and disrupted by other kinds of catastrophic occurrences and similar events.***

Natural disasters (such as cyclones, flooding and earthquakes), epidemics, pandemics, acts of war, civil unrest, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn adversely affect our business, financial condition, cash flow and results of operations.

Our operations may be adversely affected by fires, floods, natural disasters and severe weather, which can result in damage to our property or inventory or that of our consumers and suppliers, and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus.

### ***47. All of our business and operations are located in India and as such, we are subject to regulatory, economic, social and political uncertainties in India, many of which are beyond our control.***

All of our business and our personnel are located in India, and we intend to continue to develop and expand our business within India. Consequently, our financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Our business results depend on a number of general macroeconomic and demographic factors in India which are beyond our control. In particular, our revenue and profitability are strongly correlated to consumer discretionary spending, which is influenced by general economic conditions, unemployment levels, the availability of discretionary income and consumer confidence. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, increased energy prices, rising interest rates or other industry-wide cost pressures could also affect consumer behavior and spending for beauty and fashion products and lead to a decline in our sales and earnings. Political instability could also delay the reform of the Indian economy and could have an adverse effect on the market. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, financial condition, cash flows, results of operations and prospects. Anti-import sentiments amongst the population and a rapidly evolving consumer demographic may also have grave impact on our revenue and results of operations.

Factors that may adversely affect the Indian economy, and hence our results of operations and cash flows, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- epidemic, pandemic (including the COVID-19 pandemic) or any other public health in India or in countries in the region or globally, including in India's various neighbouring and key trading countries;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- downgrading of India's sovereign debt rating by rating agencies;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

**48. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.**

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

**49. The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.**

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

**50. Instability in financial markets could materially and adversely affect our results of operations and financial condition.**

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in



worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

**51. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.**

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in effect in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

**RISKS RELATED TO THE ISSUE**

**52. Industry information included in this Red Herring Prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.**

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Red Herring Prospectus, details of the reports are as follows:

Sr. No.	Name of the Organization	Web link / Source
1.	Indian Monetary Fund	<a href="https://www.imf.org/en/Publications/">https://www.imf.org/en/Publications/</a>
2.	Indian Brand Equity Foundation	<a href="https://www.ibef.org/industry/gems-jewellery-india">https://www.ibef.org/industry/gems-jewellery-india</a>
3.	Bureau of India Standards (BIS)	<a href="https://www.manakonline.in/MANAK/login">https://www.manakonline.in/MANAK/login</a>

These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this RHP.

**53. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds.**

We intend to utilise the Net Proceeds of the issue as set forth in "Objects of the issue" beginning on page 75. The funding requirements mentioned as a part of the objects of the issue are based on internal management estimates in view of past expenditures, and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies.

Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, our organic growth and expansion plans could be delayed due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. We may also use funds for future businesses which may have risks significantly different from what we currently face or may

expect. Further, we may not be able to attract personnel with sufficient skills or sufficiently train our personnel to manage our expansion plans.

Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

**54. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short-term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 12.5%, in excess of Rs. 1,25,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

**55. *The determination of the Price Band is based on various factors and assumptions and the issue price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Lead Managers is below their respective issue prices.***

The determination of the Price Band is based on various factors and assumptions, and will be determined by us in consultation with the Selling Shareholders Committee and the Lead Managers. Furthermore, the issue price of the Equity Shares will be determined by us in consultation with the Lead Managers through the Book Building Process. These will be based on numerous factors, including factors as described under "Basis for Issue Price" beginning on page 88 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Lead Managers is below their respective issue price. For further details, see "Other Regulatory and Statutory Disclosures" on page 240. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, our financial performance and results post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

**56. *The requirements of being a listed company may strain our resources.***

We are not a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated by the virtue of being a listed company. As a listed company, we will incur considerable legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing compliances and reporting requirements to the Stock Exchanges on which equity shares of our Company will be listed, which require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily.

**57. *If inflation rises in India, increased costs may result in a decline in profits.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**58. *We cannot assure you that our equity shares will be listed on the NSE EMERGE in a timely manner or at all, which may restrict your ability to dispose of the equity shares.***

Though we shall make best of our efforts to comply with all applicable regulatory, financial and operational requirements for getting the equity shares proposed to be offered through this Red Herring Prospectus listed on

NSE EMERGE platform in a time bound manner, yet on account of any change in applicable laws, economic conditions and/or any other reason/s beyond our control, the said shares may not get listed on the EMERGE Platform of National Stock Exchange of India Limited in a timely manner or at all, which may restrict your ability to dispose of the equity shares. However, even in such circumstances, the Company shall stay fully committed to pay such interest and/or refund the full application amount, as may be required in accordance with the applicable regulatory directives.

**59. *After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.***

After listing permission and trading permission of equity shares have been granted, the price of the shares shall be driven by free market forces. The market price of a company's share is determined by the forces of supply and demand in the stock market. These forces are influenced by a variety of factors, including the company's financial performance, industry trends, economic conditions, and investor sentiment.

When a company issues equity shares, it sets an issue price based on various factors such as the company's valuation, the prevailing market conditions, and the demand for its shares. However, the issue price is not necessarily indicative of the market price of the shares after the issue.

Once the shares are listed on the stock exchange, their price is determined by the forces of supply and demand in the market. If there is strong demand for the shares, the price may rise above the issue price, and if there is weak demand, the price may fall below the issue price.

Therefore, while the issue price of equity shares provides a starting point for the company's valuation, it is not necessarily a reliable indicator of the market price of the shares after the issue. Investors should carefully evaluate all relevant factors and information before making investment decisions in the stock market.

**60. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Following the Issue, we will be subject to a daily "circuit breaker" imposed by the Stock Exchange, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**61. *The issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the issue Price.***

The issue Price of our Equity Shares has been determined by the Book Built method. This price is being based on numerous factors (For further information, please see the section "Basis for Issue Price" on page 88 of this Red Herring Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

## SECTION IV – INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue<sup>(1)(2)</sup></b>	31,25,000 Equity Shares of face value of ₹ 10 each fully paid up for cash at price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per Share aggregating to ₹ [●] Lakhs.
<b><i>Out of which:</i></b>	
<b>Issue Reserved for the Market Makers</b>	Upto 2,90,000 Equity Shares having face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs.
<b>Net Issue to the Public</b>	Upto 28,35,000 Equity Shares having face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs.
<b><i>Out of which*</i></b>	
A. QIB Portion <sup>(3)(4) (5)</sup>	Not more than 14,16,000 Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b><i>Of which</i></b>	
i) Anchor Investor Portion	Upto 8,49,000 Equity Shares having face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Upto 5,67,000 Equity Shares having face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b><i>Of which</i></b>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Upto 29,000 Equity Shares of ₹ [●] each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Upto 5,38,000 Equity Shares of ₹ [●] each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
B. Non-Institutional Portion	Not less than 4,26,000 Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
C. Retail Portion	Not less than 9,93,000 Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	73,60,000 Equity Shares of face value of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	1,04,85,000 Equity Shares of face value ₹10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 75 of this Red Herring Prospectus.

\* Subject to finalisation of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price.

## Notes:

1. The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
2. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on August 09, 2024 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on August 13, 2024.
3. The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders.
4. Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws

Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.

5. In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 5 lakhs, shall use UPI. Individual investors bidding under the Non- Institutional Portion bidding for more than ₹ 2 lakhs and up to ₹ 5 lakhs, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, Demat and Bank Account (3 in 1 type accounts), provided by certain brokers.

*For further details, please refer section titled “Issue Procedure” beginning on page 262 of this Red Herring Prospectus.*

**SUMMARY OF RESTATED FINANCIAL STATEMENTS**

**Restated Statement of Assets and Liabilities**

**(Rs. in Lacs)**

Particulars	Notes	As on November 30, 2024	As at March 31,		
			2024	2023	2022
<b>EQUITY AND LIABILITIES</b>					
Shareholders' Funds					
a. Share Capital	A	736.00	46.00	46.00	46.00
b. Reserves & Surplus	B	3250.78	3,059.88	2,120.24	1,679.66
		<b>3986.78</b>	<b>3,105.88</b>	<b>2,166.24</b>	<b>1,725.66</b>
Non-Current Liabilities					
a. Long Term Borrowings	C	7706.81	4,984.36	5,367.67	3,284.27
c. Deferred Tax Liability	D	30.28	19.81	24.47	16.77
b. Long Term Provisions	E	42.65	22.89	13.57	12.61
		<b>7779.74</b>	<b>5,027.06</b>	<b>5,405.71</b>	<b>3,313.65</b>
Current Liabilities					
a. Short Term Borrowings	F	2600.27	4,012.48	1,614.95	1,445.99
b. Trade Payables	G				
- MSME		563.43	140.68	298.00	150.00
- Others		1400.61	892.25	1,504.23	466.69
c. Other Current Liabilities	H	273.54	549.92	151.88	104.30
d. Short Term Provisions	I	338.22	327.90	166.32	194.87
		<b>5176.08</b>	<b>5,923.23</b>	<b>3,735.38</b>	<b>2,361.85</b>
<b>T O T A L</b>		<b>16942.59</b>	<b>14,056.17</b>	<b>11,307.33</b>	<b>7,401.16</b>
<b>ASSETS</b>					
Non-Current Assets					
a. Property, Plant & Equipment and Intangible Assets					
i. Property, Plant and Equipment	J	1689.66	1,544.00	1,291.24	1,005.45
ii. Intangible Assets		16.67	15.17	15.17	15.17
iii. Less: Accumulated Depreciation		448.84	353.45	226.16	131.50
<b>Net Block</b>		<b>1257.49</b>	<b>1,205.72</b>	<b>1,080.25</b>	<b>889.12</b>
b. Non-current Investments	K	75.65	77.95	46.09	42.30
		<b>1333.13</b>	<b>1,283.67</b>	<b>1,126.34</b>	<b>931.42</b>
Current Assets					
a. Inventories	L	14567.02	11,522.74	9,281.72	5,287.17
b. Trade Receivables	M	464.77	628.77	313.36	123.14
c. Cash and Cash Equivalents	N	156.26	200.97	61.33	48.87
d. Short Term Loans & Advances	O	420.44	419.05	524.21	1,010.45
e. Other Current Assets	P	0.97	0.97	0.37	0.11
		<b>15609.46</b>	<b>12,772.50</b>	<b>10,180.99</b>	<b>6,469.74</b>
<b>T O T A L</b>		<b>16942.59</b>	<b>14,056.17</b>	<b>11,307.33</b>	<b>7,401.16</b>

**Restated Statement of Profit and Loss**

(Rs. in Lacs)

Particulars	NOTES	For the period ended November 30, 2024	For the year ended March 31,		
			2024	2023	2022
<b>INCOME</b>					
Revenue from Operations	Q	12527.98	16,400.17	12,227.07	11,208.04
Other Income		20.49	24.15	6.95	4.50
<b>Total Income (A)</b>		<b>12548.47</b>	<b>16,424.32</b>	<b>12,234.02</b>	<b>11,212.54</b>
<b>EXPENDITURE</b>					
Purchase of Trading Goods	R	12696.93	15,064.14	13,951.97	10,200.67
Change in Inventories	S	(3044.28)	(2,241.02)	(3,994.54)	(886.80)
Direct Expenses	T	27.84	41.45	30.05	21.24
Employee benefit expenses	U	381.63	567.81	439.47	344.40
Finance costs	V	715.07	819.01	544.76	378.28
Depreciation and amortisation expense	W	95.40	130.49	96.66	63.17
Administrative Selling & Other Expenses	X	465.27	785.33	560.91	354.48
<b>Total Expenses (B)</b>		<b>11337.83</b>	<b>15,167.21</b>	<b>11,629.28</b>	<b>10,475.44</b>
<b>Profit before exceptional, extraordinary items and tax</b>		<b>1210.64</b>	<b>1,257.11</b>	<b>604.74</b>	<b>737.10</b>
Exceptional items		0.00	0.00	0.00	0.00
<b>Profit before extraordinary items and tax</b>		<b>1210.64</b>	<b>1,257.11</b>	<b>604.74</b>	<b>737.10</b>
Extraordinary Expenses		0.00	0.00	0.00	0.00
<b>Profit before tax</b>		<b>1210.64</b>	<b>1,257.11</b>	<b>604.74</b>	<b>737.10</b>
<i>Tax expense:</i>					
(i) Current tax	Y	319.27	322.13	156.46	182.23
(ii) Deferred tax	Z	10.48	(4.66)	7.70	14.41
<b>Total Tax Expense</b>		<b>329.75</b>	<b>317.47</b>	<b>164.16</b>	<b>196.64</b>
<b>Profit after tax (E-F)</b>		<b>880.89</b>	<b>939.64</b>	<b>440.58</b>	<b>540.46</b>
<b>Earnings per share</b>					
Basic		<b>11.97</b>	<b>204.27</b>	<b>95.78</b>	<b>117.49</b>
Diluted		<b>11.97</b>	<b>12.77</b>	<b>5.99</b>	<b>7.34</b>

**RESTATED STATEMENT OF CASH FLOWS**

(Rs. in Lacs)

Particulars	As at November30, 2024	For the year ended March 31,		
		2024	2023	2022
<b>Cash flow from operating activities:</b>				
Net Profit before tax as per Profit and Loss A/c	1,210.64	1,257.11	604.75	737.10
<b>Adjusted for:</b>				
Depreciation & Amortisation	95.40	130.49	96.66	63.17
Interest & Finance Cost	715.07	819.01	544.76	378.28
Interest Income	(12.58)	(15.53)	(6.79)	(4.50)
Prior Period Expense	-	-	-	(19.98)
Profit/Loss on Sale of Asset	-	(1.37)	1.36	-
<b>Operating Profit Before Working Capital Changes</b>	<b>2,008.52</b>	<b>2,189.72</b>	<b>1,240.74</b>	<b>1,154.08</b>
<b>Adjusted for (Increase)/ Decrease:</b>				
Long Term Provision	19.76	9.32	0.96	12.61
Short term Borrowings	(1,412.21)	2,397.53	168.96	679.63
Short Term Provision	4.10	1.25	(28.07)	153.78
Trade Receivables	164.00	(315.41)	(190.22)	211.98
Trade Payables	931.12	(769.30)	1,185.54	(28.26)
Other Current Liabilities	(276.38)	398.04	47.58	31.20
Inventories	(3,044.28)	(2,241.02)	(3,994.54)	(886.80)
Short term loan and Advances	(1.39)	105.15	486.25	(895.91)
Other Non-Current Assets	2.30	(31.86)	(3.78)	(30.84)
Change in Other Current Assets	-	(0.58)	(0.27)	(0.11)
<b>Cash Generated from Operations</b>	<b>(1,604.46)</b>	<b>1,742.84</b>	<b>(1,086.87)</b>	<b>401.34</b>
Direct Tax Paid	(335.48)	(161.81)	(156.94)	(180.20)
<b>Net Cash Flow from/ (used in) Operating Activities: (A)</b>	<b>(1,939.94)</b>	<b>1,581.04</b>	<b>(1,243.81)</b>	<b>221.14</b>
<b>Cash Flow from Investing Activities:</b>				
Purchase of Fixed Assets	(147.16)	(258.65)	(293.16)	(701.34)
Sale of Fixed Assets	-	4.05	4.00	-
Interest Income	12.58	15.53	6.79	4.50
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(134.57)</b>	<b>(239.07)</b>	<b>(282.37)</b>	<b>(696.84)</b>
<b>Cash Flow from Financing Activities:</b>				
Proceeds From Share Capital & Share Premium	-	-	-	-
Proceeds / (Repayment) from Long Term Borrowing (Net)	2,722.45	(383.31)	2,083.40	835.67
Interest & Finance Cost	(692.64)	(819.01)	(544.76)	(378.28)
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>2,029.80</b>	<b>(1,202.32)</b>	<b>1,538.64</b>	<b>457.38</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(44.71)	139.64	12.46	(18.31)
Cash & Cash Equivalents As At Beginning of the Year	200.97	61.33	48.87	67.18
Cash & Cash Equivalents As At End of the Year	<b>156.26</b>	<b>200.97</b>	<b>61.33</b>	<b>48.87</b>

- Statement of cash flow has been prepared under the indirect method as set out in AS-3 on statement of cash flows specified under Sec-133 of Companies Act, 2013 read with Companies (Accounts) Rules, 2014.



2. Reconciliation of Cash & Cash Equivalents as per the statement of cash flow.

<b>Balances with Banks</b>	<b>For the period ended November 30, 2024</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Current Account	22.10	58.93	2.82	-
Cash on hand	134.16	142.04	58.51	48.87
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>156.26</b>	<b>200.97</b>	<b>61.33</b>	<b>48.87</b>

## GENERAL INFORMATION

### **Brief Summary:**

Our company was originally incorporated and registered as a private limited company under Companies Act, 1956 in the name and style of Kabra & Malpani Jewels Private Limited vide certificate of incorporation dated July 21, 2010 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a resolution of our Board dated May 10, 2012 and a resolution of our shareholders dated June 07, 2012, the name of our company was changed to 'Kabra Jewels Private Limited' and a fresh certificate of incorporation dated June 28, 2012 was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a resolution of our Board dated April 15, 2024 and a resolution of our shareholders dated May 11, 2024, our Company was converted into a public limited company under the Companies Act, and consequently the name of our company was changed to 'Kabra Jewels Limited', and a fresh certificate of incorporation dated August 05, 2024 issued by Registrar of Companies, Central Processing Centre.

### **Company Registration Number and Corporate Identity Number**

The registration number and corporate identity number of our Company are as follow:

Particulars	Number
Company Registration Number:	061692
Corporate Identity Number	U52393GJ2010PLC061692

### **Registered Office & Corporate office of our Company**

Shop no.6, Ground Floor, Iscon Center, Besides Tanishq, Shivranjani Cross Road, Satellite, Ahmedabad - 380015, Gujarat, India.

As on date this Red Herring Prospectus, our Company does not have a Corporate Office.

For details of change in registered office of our Company, see the chapter titled "*History and Certain Corporate Matters*" beginning on 152 of this RHP.

### **Registrar of Companies**

**Our Company is registered with the Registrar of Companies, Ahmedabad, which is situated at the following address:**

ROC Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad - 380013, Gujarat, India.

### **Board of Directors of our Company**

**The following table sets out the details of our Board as on the date of this Red Herring Prospectus:**

Sr. No.	Name of director	Designation	DIN	Address
1.	Kailash Kabra	Managing Director	03135234	10. Aman villa, near swagat green villa, hebatpur road, thaltej, Ahmedabad Gujarat - 380059, India.
2.	Jyothi Kailash Kabra	Executive Director	05272817	10, Aman villa, near swagat green villa, thaltej, Ahmedabad Gujarat - 380059, India.
3.	Nimesh Puranprakash Phophalia	Non-executive Non-Independent Director	10574019	Phophalia Mansion, 3 <sup>rd</sup> Floor, 107, Dadisheth Agiari Lane, opp Parsi Agiari Kalbadevi Road, Mumbai Maharashtra - 400002, India.
4.	Indira Suresh Vora	Non-executive Independent Director	10581630	A-2 Shiv Pujan Duplex, Nr. Shail Ganga Society Chandkheda, Gandhinagar, Chandkheda Society

Sr. No.	Name of director	Designation	DIN	Address
				Area Mansa Gandhinagar Gujarat - 382424, India.
5.	Hetal Karshanbhai Vaghela	Non-executive Independent Director	10655242	A-1004, Vardan Tower, Naranpura, opposite shanti apartment, Ahmedabad city, Naranpura Vistar, Ahmedabad Gujarat-380013, India.

For further details of our Board of Directors, see “*Our Management*” on page 156 this Red Herring Prospectus.

#### **Chief Financial Officer**

##### **Rahul Jitendrakumar Shah**

A-502 Singnor Residency, Koteswar Road, Nr. Swagat Residency, Motera, Koteswar, Gandhinagar – 380005, Gujarat, India

**Telephone No.:** +91 93288 71207

**E-mail:** [cfo.kkjewels@gmail.com](mailto:cfo.kkjewels@gmail.com)

#### **Company Secretary and Compliance Officer**

##### **Hiral Ishan Dave**

95, Pratham Vatika, Aarohi Club Road, Bopal, Ghuma, Ahmedabad - 380058, Gujarat, India

**Telephone No.:** +91 97261 25294

**E-mail:** [cs.kkjewels@gmail.com](mailto:cs.kkjewels@gmail.com)

#### **Investor Grievances:**

Applicants can contact the Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode etc. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the BRLM, who shall respond to the same.

Applicants may contact the BRLM for complaints, information or clarifications pertaining to the Issue.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Applicant.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

#### **Details of Key Intermediaries pertaining to this Issue of our Company**

##### **Lead Manager**

##### **Marwadi Chandarana Intermediaries Brokers Private Limited**

X-change Plaza, Office no. 1201 to 1205, 12th Floor,

Building No. 53E, Zone-5, Road 5E, Gift City,

Gandhinagar - 382355,

Gujarat, India

**Telephone:** +91 022 6912 0027

**Email ID:** [mb@marwadichandarana.com](mailto:mb@marwadichandarana.com)

**Website:** [ib.marwadichandarana.com](http://ib.marwadichandarana.com)

**Investor Grievance E-mail:** [mbgrievances@marwadichandarana.com](mailto:mbgrievances@marwadichandarana.com)

**Contact Person:** Mr. Janil Jain / Ms. Radhika Maheshwari

**SEBI Registration Number:** INM000013165

### **Statutory Auditor of our Company**

#### **M/s. S. N. Shah & Associates**

Sapan House, 10-B, Government Servant Co-op Society,  
Opposite Municipal Market, C G Road, Navrangpura,  
Ahmedabad – 380009, Gujarat, India

**Telephone:** 079-40098280

**Email ID:** [Snsah\\_asso@hotmail.com](mailto:Snsah_asso@hotmail.com), [priyamshah2707@gmail.com](mailto:priyamshah2707@gmail.com)

**Firm registration number:** 109782W

**Peer reviewed certificate number:** 013759

**Contact Person:** Mr. Priyam Shah

### **Changes in auditors during the last three years**

There has been no change in the Statutory Auditors of our company during the three years preceding the date of this Red Herring Prospectus:

### **Legal Counsel to the Issue**

#### **Asha Agarwal & Associates**

118, Shila Vihar, Gokulpura,  
Kalwar Road, Jhotwara,  
Jaipur – 302012, Rajasthan, India

**Tel No.:** +91 99509 33137

**Email:** [ashaagarwalassociates@gmail.com](mailto:ashaagarwalassociates@gmail.com)

**Contact Person:** Asha Agarwal

### **Registrar to the Issue**

#### **Cameo Corporate Services Limited**

**Address:** Subramanian Building, No.1 Club House Road,  
Chennai 600002, India

**Contact Person:** Ms. K. Sreepriya (Executive Vice President and Company Secretary)

**Tel:** 044 - 40020700/ 28460390

**Email:** [ipo@cameoindia.com](mailto:ipo@cameoindia.com)

**Investor grievance e-mail:** [investors@cameoindia.com](mailto:investors@cameoindia.com)

**Online Investor Portal:** <https://wisdom.cameoindia.com>

**Website:** [www.cameoindia.com](http://www.cameoindia.com)

**SEBI registration number:** INR000003753

### **Banker(s) to the Issue/ Refund Bank/ Sponsor Bank**

#### **IndusInd Bank Limited**

**Address:** IndusInd Bank Ltd. 4th Floor,  
Tower no.1, VRSCCL, Vashi Railway Station, Complex,  
Vashi, Navi Mumbai – 400703 India.

**Contact Person:** Kaushik Chatterjee

**Tel:** 022 69897475

**Email:** [nseclg@indusind.com](mailto:nseclg@indusind.com)

**SEBI registration number:** INBIO0000002

**CIN No.** L65191PN994PLC07633

### **Syndicate Members**

#### **Marwadi Chandarana Intermediaries Brokers Private Limited**

X-change Plaza, Office no. 1201 to 1205, 12th Floor,  
Building No. 53E, Zone-5, Road 5E, Gift City,  
Gandhinagar - 382355,  
Gujarat, India

**Telephone:** +91 022 6912 0027

**Email ID:** [mb@marwadichandarana.com](mailto:mb@marwadichandarana.com)  
**Website:** [ib.marwadichandanagroup.com](http://ib.marwadichandanagroup.com)  
**Investor Grievance E-mail:** [mbgrievances@marwadichandarana.com](mailto:mbgrievances@marwadichandarana.com)  
**Contact Person:** Mr. Janil Jain / Ms. Radhika Maheshwari  
**SEBI Registration Number:** INM000013165

### Bankers to our Company

#### IndusInd Bank

**Address:** 3<sup>rd</sup> Floor Parker House, Beside Radisson Blue Hotel, Panchvati Ahmedabad, India  
**Contact Person:** Mr. Bhargav Vaidya  
**Tel:** +91 9825064770  
**Email:** [bhargav.vaidya@indusind.com](mailto:bhargav.vaidya@indusind.com)  
**Website:** [www.indusind.com/](http://www.indusind.com/)

#### Axis Bank Limited

**Address:** Mega Wholesale Banking Centre, 2nd Floor, 3rd EYE One, Near Panchvati Cross Roads, C. G. Road, Ahmedabad -380009, Gujarat  
**Contact Person:** Mr. Anurag Tiwari  
**Tel:** +91-79-66147101  
**Email:** [cbbahmedabad.branchhead@axisbank.com](mailto:cbbahmedabad.branchhead@axisbank.com)  
**Website:** [www.axisbank.com](http://www.axisbank.com)  
**CIN:** L65110GJ1993PLCO20769

### Designated Intermediaries

#### *Self-Certified Syndicate Banks and SCSBs enabled for UPI Mechanism*

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Applications through the UPI Mechanism in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time

#### *Syndicate SCSB Branches*

In relation to Bids (other than Bids by Anchor Investors) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the Members of the Syndicate is available on the website of the SEBI ([www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35)) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35) , as updated from time to time

#### *Registered Brokers*

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> respectively, as updated from time to time.

#### *Registrar and Share Transfer Agent*

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, respectively, as updated from time to time.

### ***Collecting Depository Participants***

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

### **Experts to the Issue**

Except as disclosed below, our Company has not obtained any expert opinions:

Our company has received a written consent dated August 27, 2024 from our Statutory Auditor, namely M/s. S N Shah & Associates, Chartered Accountants, to include their names as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus, and as an “Expert” as defined under section 2(38) of the Companies Act, 2013 (and not under the U.S. Securities Act) to the extent and in their capacity as Peer Reviewed Auditor, and in respect of their (a) examination report dated August 26, 2024 for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 on the restated financial statements (b) report dated August 26, 2024 on the statement of special tax benefits available to our Company and its Shareholders.

### **Statement of inter-se allocation of responsibilities**

Marwadi Chandarana Intermediaries Brokers Private Limited being the sole Book Running Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter se allocation of responsibilities is not required.

### **IPO Grading**

No credit rating agency registered with SEBI has been appointed in respect of obtaining grading for the Issue.

### **Inter-se Allocation of Responsibilities**

Since, Marwadi Chandarana Intermediaries Broker Private Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable

### **Monitoring Agency**

As the Net Proceeds of the Issue will be less than ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

### **Appraising Entity**

None of the objects of the issue for which the Net Proceeds will be utilised have been appraised by any agency.

### **Credit Rating**

As this is an Issue consisting only of Equity Shares, there is no requirement to obtain credit rating for the Issue.

### **Debenture Trustee**

As this is an Issue consisting of Equity Shares, the appointment of a debenture trustee is not required.

### **Green Shoe Option**

No green shoe option is contemplated under the Issue.

## **Filing of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with the SEBI/ ROC**

A copy of the Red Herring Prospectus has been filed with the EMERGE platform of National Stock Exchange of India Limited where the Equity Shares are proposed to be listed.

The Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, the copy of the Red Herring Prospectus/ Prospectus shall be furnished to the Board in soft copy.

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus/ Prospectus along with the material contracts and documents required to be filed under Section 26 and 32 of the Companies Act, 2013 will also be filed with the RoC through the electronic portal at [www.mca.gov.in](http://www.mca.gov.in)

### **Book Building Process**

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in all editions of the English national newspaper, all editions of Hindi national newspaper and Gujarati Edition of Regional newspaper where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date. Principal parties involved in the Book Building Process are: -

- Our Company;
- The Book Running Lead Manager in this case being Marwadi Chandarana Intermediaries Brokers Private Limited
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with National Stock Exchange of India Limited. and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue and;
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “**Anchor Investor Portion**”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.**

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled “*Issue Procedure*” beginning on page 262 of the Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 262 of this Red Herring Prospectus.

**Illustration of the Book Building and Price Discovery Process:**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

**Steps to be taken by the Bidders for Bidding:**

- Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 262 of this Red Herring Prospectus;



- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserves the right not proceed with the Issue at any time before the Bid/ Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Bid/ Issue Opening Date but before the allotment of Equity shares, a public notice will be issued by our Company within two (2) Working Days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared, and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Issue, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism) to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the registration of Prospectus with the RoC.

## Underwriting Agreement

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the underwriter Marwadi Chandarana Intermediaries Brokers Private Limited.

Pursuant to the terms of the Underwriting Agreement dated January 3, 2025 entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

*(This portion has been intentionally left blank and will be filled in before the Red Herring Prospectus or the prospectus, as applicable is filed with RoC)*

Details of the Underwriter	Number of Equity Shares to be Underwritten*	Amount Underwritten (₹ in Lakhs)	% of the total Issue size Underwritten
<b>Marwadi Chandarana Intermediaries Brokers Private Limited</b>	<b>31,25,000</b>	<b>[•]</b>	<b>100%</b>

*\*Includes 2,90,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, Giriraj Stock Broking Private Limited in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

*The above-mentioned is indicative underwriting and will be finalised after determination of Issue Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.*

In the opinion of the Board of Directors of our company, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange

The Board, at its meeting held on January 03, 2025 has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment. As per Regulation 260(2) of SEBI (ICDR) Regulations, 2018, the Book Running Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

## **Market Maker**

### **Details of Market Making Arrangement for this Issue**

Our Company and the BRLM has entered into a Market Making Agreement dated January 03, 2025 with the following Market Maker, to fulfil the Market Making obligations under this Issue:

<b>Name</b>	Giriraj Stock Broking Private Limited
<b>Correspondence Address</b>	4, Fairlie Place, HMP House, 4th Floor, Suite No-421a, Kolkata-700001, West Bengal, India.
<b>Tel No.</b>	033- 40054519
<b>E-mail</b>	<a href="mailto:girirajstock@yahoo.com">girirajstock@yahoo.com</a>
<b>Website</b>	<a href="http://www.girirajstock.com">www.girirajstock.com</a>
<b>Contact Person</b>	Kuntal Laha
<b>SEBI Registration No.</b>	INZ000212638
<b>Market Maker Registration No.</b>	90318

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with NSE to fulfil the obligations of Market Making) dated January 03, 2025 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by NSE and SEBI in this matter from time to time.

### **Following is a summary of the key details pertaining to the Market Making Arrangement:**

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹1,00,000. However, the Investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and NSE Emerge Platform of NSE Limited from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for quotes given by him.
5. There would not be more than five Market Maker for the Company's Equity Shares at any point of time and the Market Maker may compete with other Market Maker for better quotes to the investors.

6. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on Emerge Platform of NSE Limited and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/ fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
8. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Managers, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Managers to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

9. **Risk containment measures and monitoring for Market Makers:** NSE Emerge Platform of NSE Limited will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
10. **Punitive Action in case of default by Market Maker:** NSE Emerge Platform of NSE Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
11. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
12. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
13. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Markets Makers during market making process has been made applicable, based on the Issue size and as follows:

Issue Size	Buy quote exemption threshold (Including mandatory initial inventory of 5% of the Issue size)	Re-entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue size)
Upto ₹ 20 Crore	25%	24%
₹ 20 Crore to ₹ 50 Crore	20%	19%
₹ 50 Crore to ₹ 80 Crore	15%	14%
Above ₹ ₹ 80 Crore	12%	11%

The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 Crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME platform.

<b>Sr. No.</b>	<b>Market Price Slab (in ₹)</b>	<b>Proposed Spread (in % to sale price)</b>
1	Up to 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

## CAPITAL STRUCTURE

Set forth below are the details of the Equity Share capital of our Company as on the date of this Red Herring Prospectus:

*(₹ in Lakhs except share data)*

Sr. No.	Particulars	Aggregate nominal value (in ₹)	Aggregate value at Issue Price* (in ₹)
<b>A.</b>	<b>Authorized Share Capital</b>		
	1,10,00,000 Equity Shares of face value of ₹ 10/- each	1100.00	[●]
<b>B.</b>	<b>Issued, Subscribed and Paid-up share Capital before the Issue</b>		
	73,60,000 Equity Shares of face value of ₹ 10/- each	736.00	[●]
<b>C.</b>	<b>Present Issue in terms of this Red Herring Prospectus</b>		
	Fresh Issue of 31,25,000 Equity Shares of face value of ₹ 10/- each aggregating up to ₹ [●] Lakhs <sup>(1) (2)</sup>	312.50	[●]
	<i>Which Comprises of:</i>		
<b>D.</b>	<b>Reservation for Market Maker portion</b>		
	2,90,000 Equity Shares of face value of ₹ 10/- each	29.00	[●]
<b>E.</b>	<b>Net Issue to the Public</b>		
	28,35,000 Equity Shares of face value of ₹ 10/- each	283.50	[●]
<b>F.</b>	<b>Issued, Subscribed and Paid-up share Capital after the Issue</b>		
	1,04,85,000 Equity Shares of face value of ₹ 10/- each*	1048.50	[●]
<b>G.</b>	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Red Herring Prospectus)		<i>Nil</i>
	After the Issue		[●]

\* To be updated upon finalisation of the Offer Price, and subject to the Basis of Allotment.

### CLASS OF SHARES

Our Company has only one class of share capital i.e. Equity Shares of the Face Value of ₹10/- each only. All Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Red Herring Prospectus.

- (1) The present Issue has been authorised pursuant to a resolution of our Board dated August 09, 2024 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on August 13, 2024.
- (2) Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Offer Price. Under subscription, if any, in any of the categories except QIB, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Managers and Stock Exchange. Such inter-se spill-over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines. For detailed information on the Net Offer and its allocation various categories, please refer chapter titled “The Issue” on page 47 of this Red Herring Prospectus.

*For details of changes to our Company’s authorized share capital in the last 10 years, see “History and Certain Corporate Matters - Amendments to our Memorandum of Association” on page 152.*

## NOTES TO THE CAPITAL STRUCTURE

### 1. Equity Share Capital History of our Company

The history of the equity share capital of our Company is set forth below:

Date of allotment	Details of Allottees	No. of Equity Shares allotted	Nature of Allotment	Face value (₹)	Issue price (including Premium if applicable) (₹)	Nature of consideration	Cumulative number of Equity Shares
July 21, 2010	(1) Kailash Kabra–5,000 (2) Jitesh Malpani–5,000	10,000	Subscriber to MOA	10/-	10/-	Cash	10,000
September 28, 2011	(1) Kailash Kabra–2,25,000 (2) Jitesh Malpani–2,25,000	4,50,000	Further allotment	10/-	50/-	Cash	4,60,000
August 09, 2024	(1) Kailash Kabra–37,50,000 (2) Jyothi Kailash Kabra–13,50,000 (3) Sarojdevi Kabra–6,00,000 (4) Krishna Awtar Kabra–6,00,000 (5) Satyanarayan Jagannath Kabra–4,46,550 (6) Amarchand Rander–3,000 (7) Amit Maheshwari – 150 (8) Rachna Maheshwari – 150 (9) Priya Kabra – 1,50,150	69,00,000	Bonus Issue (15:1)	10/-	NA	Other than Cash	73,60,000

### 3. History of preference share capital of our Company

Our company has not issued any Preference Share Capital in the past.

4. The Issuer Company is in compliance with the Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of Red Herring Prospectus.

### 5. Issue of Shares for consideration other than cash, bonus issues or out of revaluation reserves

Except as set out below, our Company has not issued Equity Shares for consideration other than cash, bonus issues or out of revaluation reserves.

<b>Date of allotment</b>	<b>No. of Shares allotted</b>	<b>Face value per Share (in ₹)</b>	<b>Issue price per Share (in ₹)</b>	<b>Nature of allotment</b>	<b>Benefits accrued to our Company</b>
August 09, 2024	69,00,000	10/-	NA	Bonus Issue (15:1)	Capitalization of Reserves and Surplus

**6. Equity Shares allotted in terms of any schemes of arrangement**

Our Company has not allotted any Equity Shares pursuant to any schemes of arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230-232 of the Companies Act, 2013, as applicable.

**7. Equity Shares allotted at a price lower than the offer price in the last year**

The offer price shall be determined by our Company in consultation with the BRLM, after the Bid / Offer Closing Date. Other than the allotment of Equity Shares on August 09, 2024 pursuant to a bonus issue, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price, during a period of one year preceding the date of this Red Herring Prospectus.

**8.** Our Company has not issued any shares pursuant to an Employee Stock Option Scheme. Our company doesn't have any Employee stock option scheme ("ESOP")/ Employee Stock purchase scheme ("ESPS") for our employees and we do not intend to allot any shares to our employees under ESOP and ESPS from the proposed issue. As and when options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

**9.** All transactions in Equity Shares by our Promoter and members of our Promoter group between the date of filing of this Red Herring Prospectus and the date of closing of the Issue shall be reported to the Stock Exchanges within 24 hours of such transactions.

*(This section is intentionally left blank)*

## 10. Shareholding Pattern of our Company:

Set forth is the shareholding pattern of our Company as on the date of this Red Herring Prospectus:

Category (I)	Category of shareholder (II)	No. of shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of partly paid-up Equity Shares held (V)	No. of shares underlying Depository Receipts (VI)	Total No. of Equity Shares held (VII) =(IV)+(V)+(VI)	Shareholding as a % of total number of Equity Shares (calculated as per SCRR,1957) (VIII) as a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Equity shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in Equity Shares (XII)		No. of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Equity Shares held (b)	No.	As a % of total Equity Shares held (b)	
								Class (Equity Shares)	Class (Others)	Total								
(A)	Promoter and Promoter Group	5	65,59,520	-	-	65,59,520	89.12%	65,59,520	-	65,59,520	89.12%	-	-	-	-	-	-	65,59,520
(B)	Public	4	8,00,480	-	-	8,00,480	10.88%	8,00,480	-	8,00,480	10.88%	-	-	-	-	-	-	8,00,480
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>9</b>	<b>73,60,000</b>	<b>-</b>	<b>-</b>	<b>73,60,000</b>	<b>100%</b>	<b>73,60,000</b>	<b>-</b>	<b>73,60,000</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,60,000</b>



## 11. Other details of Shareholding of our Company

(a) As on the date of the filing of this RHP, our Company has Nine (9) Shareholders of Equity Shares.

Sr. No.	Name of the Shareholders	Number of Equity Shares held	Percentage of the pre-Issue Equity Share capital (%)
1.	Kailash Kabra	40,00,000	54.35
2.	Jyothi Kailash Kabra	14,40,000	19.57
3.	Sarojdevi Kabra	6,40,000	8.70
4.	Satyanarayan Jagannath Kabra	4,76,320	6.47
5.	Amarchand Rander	3,200	0.04
6.	Krishna Awtar Kabra	6,40,000	8.70
7.	Priya Kabra	1,60,160	2.17
8.	Amit Maheshwari	160	Negligible
9.	Rachna Maheshwari	160	Negligible
	<b>Total</b>	<b>73,60,000</b>	<b>100.00</b>

(b) Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share capital of our Company as on the date of filing of this RHP:

Sr. No.	Name of the Shareholders	Number of Equity Shares held	Percentage of the pre-Issue Equity Share capital (%)
1.	Kailash Kabra	40,00,000	54.35
2.	Jyothi Kailash Kabra	14,40,000	19.57
3.	Sarojdevi Kabra	6,40,000	8.70
4.	Satyanarayan Jagannath Kabra	4,76,320	6.47
5.	Krishna Awtar Kabra	6,40,000	8.70
6.	Priya Kabra	1,60,160	2.17
	<b>Total</b>	<b>73,56,480</b>	<b>99.96</b>

*Note: Details as January 07, 2025 on being the date of this RHP.*

(c) Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share capital of our Company as of ten days prior to filing this RHP:

Sr. No.	Name of the Shareholders	Number of Equity Shares held	Percentage of the pre-Issue Equity Share capital (%)
1.	Kailash Kabra	40,00,000	54.35
2.	Jyothi Kailash Kabra	14,40,000	19.57
3.	Sarojdevi Kabra	6,40,000	8.70
4.	Satyanarayan Jagannath Kabra	4,76,320	6.47
5.	Krishna Awtar Kabra	6,40,000	8.70
6.	Priya Kabra	1,60,160	2.17
	<b>Total</b>	<b>73,56,480</b>	<b>99.96</b>

*Note: Details as on December 28, 2024 being the date ten days prior to the date of this RHP.*

(d) Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share capital of our Company as of one year prior to filing this RHP:

Sr. No.	Name of the Shareholders	Number of Equity Shares held	Percentage of the pre-Issue Equity Share capital (%)
1.	Kailash Kabra	2,30,000	50.00
2.	Satyanarayan Jagannath Kabra	2,29,800	49.96

	<b>Total</b>	<b>4,59,800</b>	<b>99.96</b>
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Notes: Details as on January 06, 2024, being the date one year prior to the date of this RHP.

- (e) Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share capital of our Company as of two years prior to filing this RHP:

Sr. No.	Name of the Shareholders	Number of Equity Shares held	Percentage of the pre-Issue Equity Share capital (%)
1.	Kailash Kabra	2,30,000	50.00
2.	Satyanarayan Jagannath Kabra	2,29,800	49.96
	<b>Total</b>	<b>4,59,800</b>	<b>99.96</b>

Note: Details as on January 06, 2023 being the date two years prior to the date of this RHP.

11. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the offer, by way of split/ consolidation of the denomination of Equity Shares. However, our Company may further issue Equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

**12. Details of Shareholding of our Promoters and Promoter Group in the Company:**

- a. As on the date of this Red Herring Prospectus, our Promoter and Promoter Group collectively hold 65,59,520 Equity Shares, equivalent to 89.12% of the issued, subscribed and paid-up equity share capital of our Company, as set forth in the table below:

S. No	Name of the Shareholders	Pre-Issue		Post-Issue	
		No. of Equity Shares	Percentage of total Shareholding (%)	No. of Equity Shares	Percentage of total Shareholding (%)
<b>(A) Promoters</b>					
1.	Kailash Kabra	40,00,000	54.35	40,00,000	38.15
2.	Jyothi Kailash Kabra	14,40,000	19.57	14,40,000	13.73
<b>Total (A)</b>		<b>54,40,000</b>	<b>73.91</b>	<b>54,40,000</b>	<b>51.88</b>
<b>(B) Promoter Group</b>					
1.	Sarojdevi Kabra	6,40,000	08.70	6,40,000	6.10
2.	Satyanarayan Jagannath Kabra	4,76,320	06.47	4,76,320	4.54
3.	Amarchand Rander	3,200	0.04	3,200	0.03
<b>Total (B)</b>		<b>11,19,520</b>	<b>15.21</b>	<b>11,19,520</b>	<b>10.67</b>
<b>Total (A+B)</b>		<b>65,59,520</b>	<b>89.12</b>	<b>65,59,520</b>	<b>62.55</b>

- b. All Equity Shares held by our Promoters are in dematerialized form as on the date of this Red Herring Prospectus

### 13. Capital Build-up in respect of Shareholding of our Promoters:

Set forth below is the build-up of the Shareholding of our Promoters in our Company since incorporation:

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	No. of Equity Shares	Face value per Equity Share (₹)	Issue price/ Transfer price per Equity Share (₹)	% of the pre-Issue capital (%)	% of the post- Issue capital (%)
<b>1. Kailash Kabra</b>						
July 21, 2010	Initial Subscriber to MOA	5,000	10/-	10/-	0.07	0.05
September 28, 2011	Further Issue	2,25,000	10/-	50/-	3.06	2.15
June 05, 2024	Transferred from Sarojdevi Kabra (Gift)	20,000	10/-	-	0.27	0.19
August 09, 2024	Bonus Issue	37,50,000	10/-	NA	50.95	35.77
<b>Total (A)</b>		<b>40,00,000</b>	-	-	<b>54.35</b>	<b>38.15</b>
<b>2. Jyothi Kailash Kabra</b>						
March 28, 2024	Transferred from Satyanarayan Jagannath Kabra (Gift)	90,000	10/-	-	1.22	0.86
August 09, 2024	Bonus Issue	13,50,000	10/-	NA	18.34	12.88
<b>Total (B)</b>		<b>14,40,000</b>	-	-	<b>19.56</b>	<b>13.73</b>
<b>Total (A+B)</b>		<b>54,40,000</b>			<b>73.91</b>	<b>51.88</b>

14. Except as disclosed in the table titled “Capital Build-up in respect of Shareholding of our Promoters” above, none of the Promoters, member of the Promoter Group, Directors of our Company nor any of their immediate relatives have acquired/ purchased / sold any securities of our Company within six months immediately preceding the date of filing of this Red Herring Prospectus.

15. There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (06) months immediately preceding the date of filing of the Red Herring Prospectus.

### 16. Details of Promoter’s Contribution locked-in for Three Years

Pursuant to Regulation 236 and 238 of the SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post-Issue Capital held by our Promoters shall be considered as Promoter’s Contribution (“**Promoter’s Contribution**”) and shall be locked in for a period of three years from the date of allotment of Equity Shares pursuant to this Issue. The lock in of Promoter’s Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Red Herring Prospectus, our Promoters hold 54,40,000 Equity Shares constituting 51.88% of the Post Issued, subscribed and Paid up Equity Share Capital of our Company, which are eligible for the Promoters Contribution.

Our Promoter, Kailash Kabra has given written consent to include 22,00,000 Equity Shares held by him and subscribed by them as part of Promoters Contribution constituting 20.98% of the post issue Equity Shares of our Company. Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters’ Contribution from the date of filing this Red Herring Prospectus, until the expiry of

the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Details of the Equity Shares to be locked-in for three years from the date of Allotment as Promoter's Contribution are set forth in the table below:

Date of allotment/ Transfer of the Equity Shares	No. of Equity Shares locked-in	Face value per share (₹)	Issue/ Acquisition/ Transfer price per Equity Share (₹)	Nature of transaction	Post-Issue Shareholding (%)	Lock In Period
<b>Kailash Kabra</b>						
August 09, 2024	22,00,000	10	NA	Bonus Issue	<b>20.98%</b>	3 Years
<b>Total</b>	<b>22,00,000</b>				<b>20.98%</b>	3 Years

The Minimum Promoter's Contribution has been brought into to the extent of not less than the specified minimum lot and has been contributed by the persons defined as 'Promoters' under the SEBI (ICDR) Regulations, 2018. All Equity Shares that are being locked in are not ineligible for computation of Promoter's contribution in terms of Regulation 237 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e., for a period of three years from the allotment of Equity Shares in this Issue. Equity Shares offered by the Promoter for the minimum Promoter's contribution are not subject to pledge.

The entire pre-issue shareholding of the Promoters and Promoter Group, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Company undertakes that the Equity Shares that are being locked-in as Promoters Contribution are not and will not be ineligible for computation of Promoters Contribution in terms of Regulation 237 of the SEBI ICDR Regulation. In this connection, we confirm the following:

- The Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution.
- The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer.
- Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company in the preceding one year and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm; and
- The Equity Shares forming part of the Promoter's Contribution are not subject to any pledge.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

#### **17. Details of Equity shares of Promoters and persons other than promoters i.e. public locked-in for One Year:**

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 51,60,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue except the Equity Shares allotted or to be allotted to our employees under ESOP

Scheme 2018 pursuant to exercise of options held by such employees (whether current employees or not and including the legal heirs or nominees of any deceased employees or ex-employees).

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription ‘**non-transferable**’ along with the Ratio of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

#### **18. Transferability of Locked-In Equity Shares:**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable:

- The Equity Shares held by our Promoter and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoter’s Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters’ Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock- in period stipulated has expired.

#### **19. Other requirements in respect of lock-in**

Pursuant to Regulation 242 of the SEBI (ICDR) Regulations, Equity Shares held by the Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank or a public financial institution or Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

- a) With respect to the Equity Shares locked-in as Promoter’s Contribution for three years from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.
- b) With respect to the Equity Shares locked-in for one year from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI (ICDR) Regulations.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018, Equity Shares held by our Promoter and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 2011.

In terms of Regulation 242(a) of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoter can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, provided that such loans have been granted for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans.

#### **20. Lock-in of Equity Shares Allotted to Anchor Investors**

50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

21. Neither we, nor our Promoters, Promoter Group, Directors and the BRLM to this Issue have entered into any Buyback and/ or standby arrangements and/ or similar arrangements for the purchase of the Equity Shares being offered through the Issue from any person.
22. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.
23. The BRLM and their associates do not hold any Equity Shares in our Company as on the date of filing of this Red Herring Prospectus. The BRLM and its affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions or investment management services in respect with our Company for which they may in the future receive customary compensation.
24. The BRLM or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion except for Mutual Funds sponsored by entities which are associates of the BRLM, or insurance companies promoted by entities which are associates of the BRLM or alternate investment funds or a FPI (other than individuals, corporate bodies and family offices) or pension funds sponsored by entities which are associates of the BRLM.
25. As on the date of this Red Herring Prospectus, there are no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.
26. None of our Promoters or members of our Promoter Group will participate in the Offer.
27. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.
28. None of the Equity Shares held by our Promoter/ Promoter Group are pledged or otherwise encumbered.
29. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
30. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time. Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price.

Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLM and Designated Stock Exchange i.e., National Stock Exchange of India Limited (“NSE”). Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.

31. At any given point of time, there shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
32. No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Issue.

33. Details of Equity Shares held by our Directors, Key Managerial Personnel and Senior Managerial Personnel, as on the date of filling this Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of Director / KMP/SMP*</b>	<b>Designation</b>	<b>Number of Equity</b>	<b>% of the Pre – Issue Equity Share Capital</b>
1.	Kailash Kabra	Managing Director	40,00,000	54.35
2.	Jyothi Kailash Kabra	Executive Director	14,40,000	19.57

*\*As on date of this RHP, none of our SMPs hold any equity shares.*

## OBJECTS OF THE ISSUE

This Issue includes a fresh issue of 31,25,000 Equity Shares of our Company at an Issue Price of Rs. [●] per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects: -

1. Repayment of certain borrowings availed by our Company, in part or full
2. To meet Working Capital requirements
3. General Corporate Purpose

(Collectively referred as the “Objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of NSE (NSE EMERGE). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

### Net Proceeds

The details of the Net Proceeds are set forth below:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds of the Issue	[●]
Less: Issue related expenses in relation to the Issue*	[●]
Net Proceeds	[●]

\*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

### Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

Sr. No.	Particulars	Amount (₹ in Lakhs)	% of Gross Proceeds**
1.	Repayment of certain borrowing availed by our Company, in part or full	1,000.00	[●]
2.	To meet Working Capital requirements	2,200.00	[●]
3.	General Corporate Purpose**	[●]	[●]
	<b>Total</b>	[●]	[●]

\*\*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below.

### Means of Finance

We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amount (₹ in Lakhs)
Net Issue Proceeds	[●]
<b>Total</b>	[●]

*Since, the entire fund requirement is to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.*

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the



actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "*Risk Factors*" beginning on page 26 of this Red Herring Prospectus.

### **Details of Utilization of Net Proceeds**

The details of utilization of the Net Proceeds are set forth herein below:

#### **1. Repayment of certain borrowing availed by our Company, in part or full**

As on November 30, 2024, our total outstanding secured fund-based borrowings amounted to ₹ 4,397.86lakhs. Our Company has entered into various financial arrangements from time to time, with banks, financial institutions and other parties. The loan facilities availed by our Company include borrowing in the form of, inter alia, loan against property and working capital facility from various lenders. For further details, see "*Statement of Financial Indebtedness*" on page 207 of this Red Herring Prospectus. Our Company proposes to utilize an estimated amount of ₹ 1,000.00 lakhs from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings, listed below, availed from the lenders by our Company. Pursuant to the terms of the financing arrangements, prepayment of certain borrowings may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will be funded from the internal accruals of our Company.

We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilization of our internal accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The details of the borrowings availed by our Company, which are proposed to be fully or partially repaid or pre-paid from the Net Proceeds is mentioned below:

(Rs. In Lakhs)

Sr. No.	Name of Lender	Loan/ Agreement A/c No./Ref. No.	Purpose	Amount Sanctioned (Rs. In Lakhs)	Rate of interest (%)	Re-Payment Schedule as per Sanction Letter	Outstanding amount as on March 31, 2024	Outstanding amount as on November 30, 2024
1.	Kotak Mahindra Bank	LP-21924348/1790729	Loan against Property The loan has been obtained by way of mortgaging the property owned by the director Mrs. Jyothi Kailash Kabra and it is used to meet the working capital requirements of the company.	1075.00	7.00%	Repayable in 120 monthly installments of 12,48,167/- started from October 10, 2021	907.24	863.65
2.	Kotak Mahindra Bank	LP-34587605/2662784	Loan against Property The loan has been obtained by way of mortgaging the property owned by the director Mrs. Jyothi Kailash Kabra and it is used to meet the working capital requirements of the company.	436.00	9.00%	Repayable in 84 monthly installments of 7,01,484/- started from July 10 ,2023	401.27	368.37
3.	Poonawalla Fincorp Limited	Application No.- APPL00331907	Business Loan It is a business loan obtained by the company by mortgaging the	495.00	9.00%	Repayable in 180 monthly installments of ₹ 5,02,062/- started from July 5,2023	482.87	-

			property owned by company situated at Unit No. 112, First Floor, Retail Plaza (One 42), Ambli- Bopal Road, Ahmedabad.					
4.	Ratnaafin Capital Private Limited	Customer ID-202110580	Loan against Property The loan has been obtained by way of mortgaging the property owned by Kailash Kabra and it is used to meet the working capital requirements of the company.	507.61	13.50%	Repayable in 120 monthly installments of ₹ 7,72,965/- started from October 10,2023	495.15	477.18
5.	HDFC Bank Limited	139904542	Used Car refinance Loan The loan has been obtained for acquisition of vehicle.	38.00	As decided at the time of disbursement	Repayable in 36 monthly installments of 1,23,941/- started from April 7, 2023.	26.66	18.40
6.	Bank of India Limited	203260510000478	Vehicle Loan	6.22	8.95%	Repayable in 36 monthly installments of 19,765/- started from December 9, 2022.	3.68	-
7.	Mahindra & Mahindra Finance Limited	9793495	Vehicle Loan	11.00	As decided at the time of disbursement	Repayable in 36 monthly installments of 34,955/- started from March 10, 2024	10.68	8.49
8.	Toyota Financial	TFS20821721466389054	Vehicle Loan	30.00	As decided at the time of disbursement	Repayable in 36 monthly installments of 95,469/-	-	27.01

	Service – Innova Loan					started from 20th August, 2024.		
9.	HDFC Bank Limited	153232830	Vehicle Loan	7.00	As decided at the time of disbursement	Repayable in 48 monthly installments of 17,636/- started from 07th July 2023	-	6.39
10.	HDFC Bank Limited	153228575	Vehicle Loan	7.00	As decided at the time of disbursement	Repayable in 48 monthly installments of 17,636/- started from 07th July 2023	-	6.39
11	HDFC Bank Limited	141309832	Auto Loan	19.99	As decided at the time of disbursement	Repayable in 39 monthly installments of 59,310/- started from June 5, 2023	15.31	11.48
12.	HDFC Bank Limited	112482662	Auto Premium Loan	40.00	As decided at the time of disbursement	Repayable in 48 monthly installments of 97,700/- started from October 5, 2020	5.73	-
13	Indusind Bank	650014033163	Working Capital Requirements	950.00	9.25%	-	940.91	9.26
14.	Axis Bank	917030075565253	Working Capital Requirements	3000.00	8.90%	-	2,879.93	2386.69
15.	Kotak Mahindra Bank	LAP- 01478860/19122311	Loan against Property	219.00	9.50%	Repayable in 120 monthly installments of 2,83,381/- starting from August 10, 2024	-	214.55

Note: The details included in the above table is as per Schedule 6, (9), (A), (2) of the SEBI ICDR as amended and it has been certified by our Statutory Auditors pursuant to their certificate dated January 04, 2025.

## 2. To Meet Working Capital Requirements

The industry in which we operate is highly working capital intensive. Our Company proposes to utilise ₹2200.00 lakhs from the Net Proceeds to fund our working capital gap. In the normal course of business, we finance the majority of our working capital needs through internal accruals and financing from banks. As on November 30, 2024, our Company has a total sanctioned limit of ₹3,950.00 lakhs towards working capital facilities. Our total outstanding debt, as on November 30, 2024 was ₹10,307.06 lakhs which included secured borrowings ₹4,397.86 lakhs and unsecured borrowings ₹5,909.20 lakhs.

Details of Estimation of Working Capital requirement are as follows:

(Rs. In Lakhs)						
Sr. No.	Particulars	Actual (Restated) As at March 31,			Estimated As at March 31,	
		2022	2023	2024	2025	2026
<b>A</b>	<b>Current assets</b>					
	Inventories	5,287.17	9,281.72	11,522.74	11,916.80	12,255.80
	Trade receivables	123.14	313.36	628.77	1,250.00	1,563.00
	Short Term Loans & Advances	1,010.45	524.21	419.05	757.05	1,197.70
	Other Current Assets	0.11	0.38	0.97	316.86	67.60
	<b>Total Current Assets (A)</b>	<b>6,420.88</b>	<b>10,119.66</b>	<b>12,571.53</b>	<b>14,240.72</b>	<b>15,084.10</b>
<b>B</b>	<b>Current liabilities</b>					
	Trade payables	616.69	1,802.23	1,032.93	721.70	600.00
	Short term provisions	194.87	166.32	327.90	490.54	802.06
	Other Financial Liabilities*	192.98	123.35	191.64	207.51	197.41
	Other Current Liabilities	104.30	151.88	549.92	107.00	107.00
	<b>Total current liabilities (B)</b>	<b>1,108.83</b>	<b>2,243.78</b>	<b>2,102.39</b>	<b>1,526.76</b>	<b>1,706.47</b>
<b>C</b>	<b>Net working capital (A-B)</b>	<b>5,312.04</b>	<b>7,875.89</b>	<b>10,469.14</b>	<b>12,713.96</b>	<b>13,377.63</b>
<b>D</b>	<b>Sources of funds</b>					
	Working Capital borrowing	4,479.36	6,832.73	7,842.22	6,268.28	5,352.03
	Internal accruals or Equity	832.68	1,043.16	2,626.91	4,245.68	8,025.60
	Net Proceeds from Fresh Issue	-	-	-	2,200.00	-
	<b>Total Means of Finance</b>	<b>5,312.04</b>	<b>7,875.89</b>	<b>10,469.14</b>	<b>12,713.96</b>	<b>13,377.63</b>

\*Includes current maturities of long-term debt falling due in next 12 months.

E	Particulars	FY 2022	FY 2023	FY 2024
	Number of Showrooms	2	5	7

F Quantitative Analysis of Working Capital				
	Particulars	FY 2022	FY 2023	FY 2024
1	Quantity of Major gold jewellery items (in grams)	98,311	1,29,890	1,38,459
2	Rate of above items (per gram)	5,064	6,088	6,876
3	Value (Rs. In Lacs)	4,978.54	7,907.23	9,520.10

### Holding Periods: (In Days)

Particulars	Actual (Restated) As at March 31,			Estimated As at March 31,	
	2022	2023	2024	2025	2026
<b>Current assets</b>					
Inventories	172	277	256	217	179
Trade receivables	4	9	14	23	23
Trade payables (Incl. Advance received from customers)	25	50	37	19	13
<b>Net working capital (A-B)</b>	<b>151</b>	<b>236</b>	<b>233</b>	<b>221</b>	<b>189</b>

Note: The details included in the above table have been certified by our Statutory Auditors pursuant to their certificate dated August 27, 2024.

**Justification:**

The working capital requirement in FY 2025 is assumed to be same as that of FY 2024 i.e., 1.57 times of sales in FY 2024.

Further, the working capital projections made by the Company are based on certain key assumptions, as set out below:

<p><b>Inventories</b></p>	<p>Our Company's finished goods primarily consist of jewellery made of gold, diamond, silver and other precious and semi-precious stones. Finished goods inventory days are computed from the historic restated Financial Information. Historically they have ranged from 172 to 256 days. They have been assumed to be 217 days and 179 days for fiscal 2025 and 2026 respectively on the basis of the growth plans of the Company.</p> <p>In FY 2024 and 2023 the inventory has increased by 19.45% (₹ 2241.02 Lakh) and 43.04 % (₹ 3994.54 Lakhs) in value against 6.19% (8569.00 grams) and 24.31% (31,579 grams) in quantity. The increase in value was primarily due to increase in price of gold and increase in quantity was due to increase in number of showrooms from 2 to 7 during the Fiscal 2022 to 2024.</p> <p>We as a jeweller, required to store / display the products at the showroom, which is main promotional / advertisement activity to attract our target customers. We also participate in various jewellery exhibition across India where we display exclusive products and hence, we need to purchase and hold larger quantities of products at our showrooms. Further, In Fiscal 2025 and 2026, increase in projected inventory is estimated with normal increase due to respective increase in sales at constant rates. Hence, inventory holding days is reducing to 217 and 179 days in Fiscal 2025 and 2026.</p>
<p><b>Trade Receivable</b></p>	<p>The Holding levels of the trade receivable were 4 days in Fiscal 2022, 9 days in Fiscal 2023 and 14 days in Fiscal 2024. We have been able to maintain the trade receivables around normalcy during the previous three Fiscals.</p> <p>It may be noted that there is marriage season during 1<sup>st</sup> &amp; 4<sup>th</sup> quarters every financial year. Due to this, normally sales is always higher in 4<sup>th</sup> quarter compared to other quarters. As a result, the receivables standing as on 31<sup>st</sup> march every year may be reflecting for higher number of days, which may not be there for throughout the year.</p> <p>Due to:</p> <ul style="list-style-type: none"> <li>- increase in show rooms,</li> <li>- change in product mix &amp; customer mix,</li> <li>- increase in prices of jewellery (due to increase in gold rates)</li> <li>- increase in turnover business of model 2 (High end jewellery which attracts more high-end reputed customers as well)</li> </ul> <p>and, since our company is in the business for more than 10 years, we have developed relations with numerous customers (referred as long-standing customers), so the company gives some credit ranging from 15 days to maximum of 45 days to such customers to maintain good relationships. Hence for the FY 2025 &amp; FY 2026, receivables have been assumed at average of 25 days of entire sales.</p>
<p><b>Short Term Loans &amp; Advances and Other Current Assets</b></p>	<p>With increase in company's profitability and in order to comply with the other provisions of the other act the company has to deposit advance tax with the revenue authorities hence there is increase in short term loans &amp; advances. In the FY 2025 the company has projected Rs. 407.05 lacs of advance tax which is included in Short Term Loans and advances. In FY 2024 it was Rs. 201.67 lacs.</p>

	The company also pays advances to the vendors to fix the purchase rate of gold and/or to avail discount.
<b>Trade Payables</b>	<p>Holding levels for trade payables are computed from the historic restated financial information and has ranged between 25 to 37 days. In the past our holding levels of trade payables has decreased from 50 days in Fiscal year 2023 to 23 days in Fiscal year 2024.</p> <p>With increase in prices of precious metal, gems and other stones, suppliers are expecting prompt payment. In order to maintain regular supply at good rates, we plan to use the incremental finance available to get better rates for our purchases and accordingly the creditor days are expected to reduce and have been estimated to be 19 days for fiscal 2025.</p> <p>In Past, with increase in internal accruals and working capital facility, the company managed to make payment to their suppliers in order to get better prices. With the increase in cash accruals &amp; liquidity, trade payables had reduced from 1802.23 lacs as on 31-3-2023 to Rs. 1032.93 lacs as on 31-3-2024. The day's payable outstanding has been estimated at 19 days in FY 2024-25. Our Company has proposed to utilize a part of the fresh issue proceeds towards working capital requirements during the financial year 2025, which will lead to payment to creditors and reduction in the outstanding days payable. Hence, trade payables days are estimated at lower levels which will enable our Company to get better terms from our vendors. This in turn will lead to increase in overall margins.</p>
<b>Other Current Liabilities</b>	In FY 24 there was an increase in advance from customers as on 31.3.24. In the coming FY 25 & FY 26 the company has estimated advances conservatively at Rs. 100.00 lacs in line with years prior to FY 24 and Rs 7.00 lakhs amounting to other statutory liabilities.

**Note:**

1. Holding period level (in days) of Inventories is calculated by dividing inventories by revenue from operations multiplied by number of days in the year (365).
2. Holding period level (in days) of Trade Receivables is calculated by dividing trade receivables by revenue from operations multiplied by number of days in the year (365).
3. Holding period level (in days) of Trade Payables is calculated by dividing trade payables by raw material consumption multiplied by number of days in the year (365).

The reasons for increase in future working capital requirements of our company are as under:

- Our business operations are working capital intensive. To offer a wider range of product options to our retail clients across our showrooms and effectively expand our business reach, we need to secure greater access to liquid funds and ensure sufficient working capital alongside our existing resources.
- We have recently started offering distinctive antique gold jewellery. We plan to expand this product by introducing these pieces in our retail showrooms, with the goal of growing our customer base, increasing revenue, and improving margins. We believe this market holds considerable potential, and to fully leverage it, additional working capital will be required to support the expansion of this product line.

*Hence General Rationale for Increase in working capital are as under:*

1. It may be noted that we have now developed dedicated stores for various customers as per their requirements as mentioned hereunder: -
  - KK Jewels Bridal - Caters to the jewellery to be given on the occasion of marriage or such other major occasions.
  - KK Jewels Diamond- Caters to the demand of Diamond jewellery required by Upper Middle Class & Upper-class families.
  - KK Jewels Gold- Caters the demand for general gold jewellery like Ring, chain, accessories etc.
  - KK Jewels Silver- where Silver jewellery and allied metal silver utensils & articles are sold.
  - KK Jewels – Atarashi- Caters cater demand of Polki & real diamond light jewellery mainly for youths & middle-class customers.
  - KK Jewels - Silver Studio-cater demand for all kind of silver & allied metal jewellery & articles.

To cater various type of customers, we need to maintain higher inventory leading to increased working capital requirements.

2. Since, the different class of customers are served as per their requirements, where the company needs to maintain inventory as per: -
  - A. Occasions like Marriage, Gifting options on Rakshabandhan, Diwali, Housewarming, baby Shower, on any other special religious or general occasions (e.g. On Navratri Occasion young girls prefer silver jewellery & Articles, leading to huge demand of such type of articles)
  - B. Age group wise customers ranging from Kids, Youths, Middle aged and old aged.
  - C. Customer belief wise (e.g. some customers prefer only gold jewellery without any type of stones, whereas some others like Diamond or precious stone jewellery)
  - D. Fashion wise inventory (e.g. diamond studded Mobile, Pen, Belts, Gold & diamond watches, accessories etc.)

Due to continuously changing fashion, the company needs to maintain inventory of various style & quality of jewellery, to cater the needs of varieties of customers (as per showroom requirements). This will lead to increase in Inventory requirement leading to increase in working capital. The combined effect of all above, i.e. increase of dedicated showrooms, changing fashion, satisfying different age group customers etc. has led to increase in working capital.

3. Our company stands out as a premier gold jewellery retail chain in Ahmedabad, with a strong focus on the B2C market. We excel in creating a diverse array of gold jewellery that marries traditional craftsmanship with contemporary style. Our offerings include stunning pieces featuring emeralds, jade, pearls, Meena work, and intricate studded designs. Further, our company majorly operates on designer jewellery and made-to-order basis. Our Company's business is a working capital intensive and to address the current issue of limited working capital and achieve exponential growth, the company plans to infuse funds into working capital from the Issue Proceeds.

### 3. General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹ [●] Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any Issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual Issue expenses turn to be lesser than the estimated Issue expenses of ₹ [●] lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Red Herring Prospectus/ Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

#### Public Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs. The Issue related expenses primarily include fees payable to the Lead Manager and legal counsel, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break-up of the estimated Issue expenses is set forth below:

Activity	Estimated Expense * (₹ in lakhs)	As a % of total estimated Issue related expenses	As a % of Issue size
BRLM fees (including underwriting, brokerage and selling commission)	[●]	[●]	[●]



Activity	Estimated Expense * (₹ in lakhs)	As a % of total estimated Issue related expenses	As a % of Issue size
Commission / processing fee for SCSBs, Sponsor Bank and Bankers to the Issue. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs. **	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Fees payable to auditors, market research firms and other consultants / professionals	[●]	[●]	[●]
Other Expenses			
• Listing fees, SEBI Fees, upload fees, NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
• Printing and Stationery	[●]	[●]	[●]
• Advertising and Marketing expenses	[●]	[●]	[●]
• Fees payable to Legal Advisors to the Issue	[●]	[●]	[●]
• Miscellaneous	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	[●]	[●]	[●]

\* Issue expenses include taxes, where applicable. Issue expenses will be incorporated at the time of filing of the Prospectus. Issue expenses are estimates and are subject to change.

\*\* Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

Portion for Retail Individual Bidders <sup>^</sup>	0.01% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders <sup>^</sup>	0.01% of the Amount Allotted (plus applicable taxes)

<sup>^</sup> Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

No additional bidding charges shall be payable by the Company to the SCSBs on the applications directly procured by them. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of NSE.

Processing fees payable to the SCSBs on the portion for Retail Individual Bidder and Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate / sub-Syndicate / Registered Broker / RTAs / CDPs and submitted to SCSB for blocking would be as follows:

Portion for Retail Individual Bidders <sup>^</sup>	₹ 10/- per valid Bid cum Application Form (plus applicable taxes)*
Portion for Non-Institutional Bidders <sup>^</sup>	₹ 10/- per valid Bid cum Application Form (plus applicable taxes)*

\* For each valid application

Notwithstanding anything contained above, the total processing fee payable under this clause will not exceed ₹ 1 lakh (plus applicable taxes) and in case if the total processing fees exceeds ₹ 1 lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis for portion of Retail Individual Investors and Non-Institutional Investors, as applicable.

Brokerage, selling commission and processing/ uploading charges on the portion for Retail Individual Investors and Non-Institutional Investors (excluding UPI Bids) which are procured by Members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their sub-Syndicate members) would be as follows:

Portion for Retail Individual Bidders <sup>^</sup>	0.01% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders <sup>^</sup>	0.01% of the Amount Allotted (plus applicable taxes)

<sup>^</sup> Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

The selling commission payable to the Syndicate/sub-Syndicate members will be determined (i) for RIIs, NIIs (up to ₹ 1 lakh) on the basis of the application form number/series, provided that the application is also bid by the respective Syndicate/sub-Syndicate member. For clarification, if a Syndicate ASBA application on the application form number/series of a Syndicate/sub-Syndicate member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate/sub-Syndicate member; (ii) for NIIs (above ₹ 5 lakhs), Syndicate ASBA Form bearing SM code and sub-Syndicate code of the application form submitted to SCSBs for blocking of the fund and uploading on the exchange platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate member, is bid by an SCSB, the selling commission will be payable to the Syndicate / sub-Syndicate members and not the SCSB.

Bidding charges payable to members of the Syndicate (including their sub-Syndicate members) on the applications made using 3-in-1 accounts would be ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate members). Bidding charges payable to SCSBs on the QIB Portion and NIIs (excluding UPI Bids) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be ₹10 per valid application (plus applicable taxes).

Bidding charges payable on the application made using 3-in-1 accounts will be subject to a maximum cap of ₹ 1 lakh (plus applicable taxes), in case if the total processing fees exceeds ₹ 1 lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis for portion of Retail Individual Investors and Non-Institutional Investors, as applicable.

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of NSE.

Selling commission/ bidding charges payable to the Registered Brokers on the portion for Retail Individual Investors and Non-Institutional Investor which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Bidders <sup>^</sup>	₹ 10 per valid Bid cum Application Form (plus applicable taxes)*
Portion for Non-Institutional Bidders <sup>^</sup>	₹ 10 per valid Bid cum Application Form (plus applicable taxes)*

\* For each valid application.

The Processing fees for applications made by Retail Individual Bidders or Individual investors bidding under the Non-Institutional Portion for an amount of more than ₹ 2 lakhs and up to ₹ 5 lakhs using the UPI Mechanism would be as follows:

Sponsor Bank	₹ 6 per valid Bid cum Application Form* (plus applicable taxes)  The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.
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\* For each valid application.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public issuing (opening on or after September 1, 2022) shall be processed only after

application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / sub-Syndicate Member shall not be able to Bid the Application Form above ₹ 5 lakhs and the same Bid cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the Stock Exchange bidding platform. To identify bids submitted by Syndicate / sub-Syndicate Member to SCSB a special Bid-cum-application form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / sub-Syndicate Member along with SM code and broker code mentioned on the Bid-cum Application Form to be eligible for brokerage on allotment. However, such special forms, if used for RIB and NIB bids up to ₹ 5 lakhs will not be eligible for brokerage.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

### Proposed Schedule of Implementation

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(₹ In Lakhs)		
Sr. No.	Particulars	Amount to be deployed and utilized in FY 2024-2025
1.	Repayment of certain borrowing availed by our Company, in part or full	1,000.00
2.	To meet Working Capital requirements	2,200.00
3.	General Corporate Purpose	[●]
	<b>Total</b>	[●]

### Appraisal

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our Business and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and /or unsecured Loans.

### Bridge Financing Facilities

As on the date of the Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

### Monitoring Utilization of Fund

As the size of the Issue will not exceed ₹ 10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

### Interim Use of Proceeds

Pending utilization of the proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the issue without our Company being authorized to do so by the Shareholders by way of a Special Resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

### **Other confirmations**

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoter, our directors or key managerial personnel except in the normal course of business and in compliance with the applicable laws.

## **BASIS OF THE ISSUE**

The Issue price will be determined by our Company, in consultation with the Lead Managers on the basis of an assessment of market demand for the Equity Shares issued through the book building method and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue price is [●] times of the face value. Investors should also refer to “*Our Business*”, “*Risk Factors*”, “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on pages 109, 26, 174 and 213 respectively, to have an informed view before making an investment decision.

### **Qualitative factors**

We believe that some of the qualitative factors which form the basis for computing the Issue Price are:

- Quality and Designing of our products
- Established brand
- We offer a diversified range of products
- Experienced promoters with established track record of operations
- Well established relationship with our artisans

For further details, see “*Our Business – Our Business Strengths*” on page 133.

### **Quantitative factors**

Certain information presented below relating to our Company is derived from the Restated Financial Statements. For further information, see “*Restated Financial Statements*” on page 174.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

#### **1. Basic & Diluted Earnings Per Share (EPS):**

<b>Financial year / period ended</b>	<b>Basic EPS (₹)</b>	<b>Diluted EPS (₹)</b>	<b>Weight(x)</b>
March 31, 2024	67.93	67.93	3
March 31, 2023	31.85	31.85	2
March 31, 2022	39.07	39.07	1
<b>Weighted Average</b>	<b>51.09</b>	<b>51.09</b>	<b>6</b>
<b>For Eight months ended Novmeber 30, 2024 (Not Annualized)</b>	<b>11.97</b>	<b>11.97</b>	

Notes:

1. The figures disclosed above are based on the Restated Financial Statements of the Company.
2. The face value of each Equity Share is ₹10.00.
3. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
4. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements.
5. Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year.
6. Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year.
7. The Company had issued 69,00,000 Equity Shares of face value of ₹ 10/- each on August 09, 2024, through a bonus share issue in the ratio of 15:1 to all existing shareholders of the Company such bonus issuance has been considered while deriving at Basic and Diluted Earnings per Equity Share.

#### **2. Price/Earning (“P/E”) ratio in relation to price band of Rs. [●] to Rs. [●] per Equity Share:**

<b>Particulars</b>	<b>(P/E) Ratio at the Floor Price</b>	<b>(P/E) Ratio at the Cap Price</b>
P/E Ratio based on Basic & Diluted EPS as restated for FY 2024	[●]	[●]

P/E Ratio based on Basic & Diluted EPS as restated for FY 2023	[●]	[●]
P/E Ratio based on Basic & Diluted EPS as restated for FY 2022	[●]	[●]
P/E ratio based on the Weighted Average EPS, as restated	[●]	[●]

Note: The P/E ratio of our Company has been computed by dividing Issue Price with EPS.

### 3. Industry P/E as on March 31, 2024

<b>Industry P/E Ratio</b>	
Highest (Motisons Jewellers Limited)	37.22
Lowest (RBZ Jewellers Limited)	27.97
<b>Industry Average</b>	<b>32.59</b>

For the purpose of industry, we believe the companies engaged in the same sector or engaged in the similar line of business segment, however, they may not be exactly comparable in terms of size or business portfolio on a whole with that of our business. Average PE have been calculated based on the PE of the Peer Company of Motisons Jewellers Limited & RBZ Jewellers Limited.

Note: P/E Ratio of the company is based on the exchange announcement of the company for the year 2024.

### 4. Return on Net Worth (RoNW):

Sr. No.	Financial year / period ended	RoNW (%)	Weight
1.	March 31, 2024	30.25%	3
2.	March 31, 2023	20.34%	2
3.	March 31, 2022	31.32%	1
<b>Weighted Average</b>		<b>27.13%</b>	<b>6</b>
<b>For Eight months ended November 30, 2024 (Not Annualized)</b>		<b>22.10%</b>	

Notes:

- Weighted Average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. sum of (RoNW x Weight) for each year / Total of weights;
- The figures disclosed above are based on the Restated Financial Statements of our Company.
- Net-worth, as restated at the end of the relevant financial year (Equity attributable to the owners of the company) reduced by revaluation reserve.

### 5. Net Asset Value per Equity Share

Sr. No.	Net Asset Value per Equity Share	(₹)
1.	As on March 31, 2024	42.20
2.	As on March 31, 2023	29.43
3.	As on March 31, 2022	23.45
4.	As on November 30, 2024	54.17
5.	NAV per Equity Share after the Issue	
	i) At Floor Price	[●]
	ii) At Cap Price	[●]
6.	Issue Price	[●]

Notes:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- NAV per share = Restated Net worth at the end of the year divided by total number of equity shares outstanding at the end of the year. (Based on weighted average number of shares).
- Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.
- Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

## 6. Comparison with listed industry peers

(Rs. In crores except otherwise stated)

Name of the Company	Current Market Price	Revenue	PAT	EBITDA	EBITDA Margin (in %)	Price to Earning	Debt	ROCE (In %)	ROE (In %)
Kabra Jewels Limited	[●]	164.00	9.40	21.82	13.31%	[●]	89.97	18.23%	30.25%
Motisons Jewellers Limited	160.05 per share	416.76	32.23	63.05	15.13%	37.22	118.02	13.83%	9.82%
DP Abhushan Limited	836.30 per share	2339.96	61.86	100.19	4.28%	30.08	173.93	23.02%	25.91%
RBZ Jewellers Limited	150.75 per share	327.43	21.57	38.48	11.75%	27.97	69.94	13.52%	10.40%

Note:

- Considering the nature and turnover of business of our Company the peers listed above are not strictly comparable. However, the same have been included for broader comparison.
- The figures for Kabra Jewels Limited are based on the restated financial statements as on March 31, 2024.
- The figures for the peer group are based on information available in public domain.
- Current Market Price (CMP) is the closing price of each scrip as on March 31, 2024.
- P/E Ratio has been computed based on the closing market price of equity shares on the BSE/NSE on March 31, 2024 divided by the diluted EPS.
- Industry Peer Set may be modified for finalization of Issue Price before filing Red Herring Prospectus with ROC.

## 7. The Issue price is [●] times of the face value of the Equity Shares

The price band/floor price/issue price will be determined by the issuer in consultation with the BRLM, on the basis of book- building on the basis of assessment of the market demand from investors for the Equity Shares and shall be justified in view of the above qualitative and quantitative parameter.

## 8. Explanation for Issue Price/Cap Price being [●] times of weighted average cost of acquisition of secondary issuance price of Equity Shares (set out in 12(d) below) along with our Company's key performance indicators and financial ratios and in view of external factors for the period ended November 30, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022.

[●]\*

\*To be included on finalisation of Issue Price and to be updated in the Prospectus.

## 9. Key Financial & Operational Performance Indicators (KPIs)

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals in comparison to our peers. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 27, 2024 and January 04, 2025 the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Red Herring Prospectus. Further, the KPIs herein have been certified by M/s S.N Shah & Associates, by their certificate dated August 27, 2024 and January 04, 2025.

The KPIs of our Company have been disclosed in the chapters titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on page no. 109 and 213 of this Red Herring Prospectus, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” on page 1 of this Red Herring Prospectus.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or 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 on the Stock Exchange or till the complete utilisation of the proceeds of the Issue as per the disclosure made in the chapter titled “Objects of the Issue” on page 75, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

**(₹ In Crores except ratios)**

Key Performance Indicator	As on November 30, 2024	Financial Year 2024	Financial Year 2023	Financial Year 2022
Revenue from Operations	125.28	164.00	122.27	112.08
EBITDA	20.00	21.82	12.39	11.74
EBITDA Margin (%)	15.97%	13.31%	10.14%	10.48%
PAT	8.81	9.40	4.41	5.40
PAT Margin (%)	7.03%	5.73%	3.60%	4.82%
ROE (%)	22.10%	30.25%	20.34%	31.32%
ROCE (%)	14.14%	18.23%	13.62%	18.26%

**Notes:**

- 1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- 2) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortization expenses reduced by other Income.
- 3) EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
- 4) Profit after Tax Means Profit for the period/year as appearing in the Restated Standalone Financial Statements.
- 5) PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.
- 6) RoE (Return on Equity) (%) is calculated as net profit after tax for the year / period divided by Average Shareholder Equity.
- 7) RoCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Tangible Net worth (i.e. subtracting share capital and reserves & surplus by Intangible Assets and revaluation reserve), deferred tax liability, Long-Term Borrowing and Short-Term Borrowing.

**Explanation for KPI metrics**

KPI	Explanations
Revenue from Operations (₹ in Crores)	Revenue from operations represents the total turnover of the business as well as provides information regarding the year over year growth of our Company
EBITDA (₹ in Crores)	EBITDA provides information regarding the operational efficiency of the business and is considered by the management as an important element to monitor business growth in absolute term irrespective of the sales mix.
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit After Tax (₹ in Crores)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of our business in reference to the turnover.



KPI	Explanations
RoE (%)	RoE provides how efficiently our Company generates profits from average shareholders' funds.
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the average capital employed in the business.

#### 10. Key Financial & Operational Performance Indicators (KPIs) in comparison to industry peers:

(Rs. in crores unless stated otherwise)

Particulars	Kabra Jewels Limited			
	As on November 30, 2024	For the Year ended on March 31		
		2024	2023	2022
Revenue from Operations	125.28	164.00	122.27	112.08
EBITDA	20.00	21.82	12.39	11.74
EBITDA Margin (In %)	15.97%	13.31%	10.14%	10.48%
PAT	8.81	9.40	4.41	5.40
PAT Margin (%)	7.03%	5.73%	3.60%	4.82%
ROE (%)	22.10%	30.25%	20.34%	31.32%
ROCE (%)	14.14%	18.23%	13.62%	18.26%

Particulars	RBZ Jewellers Limited			Motisons Jewellers Limited			DP Abhushan Limited		
	For the Year ended on March 31			For the Year ended on March 31			For the Year ended on March 31		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Revenue from Operations	327.43	287.93	252.11	416.76	366.20	314.33	2339.96	1975.12	1731.38
EBITDA	38.48	37.77	26.77	63.05	48.99	38.61	100.19	76.54	74.84
EBITDA Margin (In %)	11.75	13.12	10.62	15.13	13.38	12.28	4.28	3.88	4.32
PAT	21.57	22.33	14.41	32.23	22.20	14.75	61.86	45.32	40.44
PAT Margin (%)	6.59	7.76	5.72	7.73	6.06	4.69	2.64	2.29	2.34
ROE (%)	10.40%	24.15%	20.58%	9.82%	16.16%	12.77%	25.91%	25.03%	29.29%
ROCE (%)	13.52%	20.20%	19.14%	13.83%	15.31%	12.83%	23.02%	23.90%	23.11%

Source: All the financial information for listed industry peer mentioned above is sourced from the regulatory filings made by aforesaid companies to stock exchanges for the respective year/period to compute the corresponding financial ratios.

#### 11. Price per share of our Company based on the primary issue of Shares

Other than as mentioned below, there has been no issuance of Equity Shares during the three years preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the company (calculated based on the pre-issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of 30 days, Except as below:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment
August 09, 2024	69,00,000	10	NA	Other than Cash	Bonus Issue (15:1)

## 12. Price per share of our Company based on the secondary sale / acquisition of Shares

- a. **The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities), excluding shares issued under ESOP/ESOS and issuance of bonus shares**

There have been no issuance of Equity Shares or convertible securities during the 18 months preceding the date of this Red Herring Prospectus, excluding the shares issued under the ESOP Schemes and issuance of bonus shares, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

- b. **The price per share of our Company based on the secondary sale / acquisition of shares (equity shares) or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Selling Shareholders, members of the Promoter Group or other Shareholders with rights to nominate directors during the 18 months preceding the date of filing of the DRHP/ RHP, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Secondary Transactions”**

There have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group, selling shareholders or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue share capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- c. **Since there are no eligible transaction of our Company reported in (a) and (b) above in accordance with paragraph (9)(K)(4)(a) of the SEBI ICDR Regulations, the price per Equity Share of our Company based on the last five primary or secondary transactions in Equity Shares (secondary transactions where the Promoter/ Promoter Group entities or Shareholders having the right to nominate director on the Board are a party to the transaction) not older than 3 years prior to the date of filing of this Draft Red Herring Prospectus has been computed as under:**

A. Primary Transaction						
Date of Allotment	Nature of Transaction	No. of Equity Shares	Cost per Equity Share	Total Cost	Cumulative amount paid for the Equity Shares	Cumulative No. of Equity Shares
August 09, 2024	Bonus Issue	69,00,000	-	-	-	69,00,000
<b>Weighted average cost of acquisition (Primary Transaction) (₹ per Equity Share)</b>						Nil

B. Secondary Transaction						
Name of the Acquirer	Date of Allotment / Transfer	nature of Allotment / transaction	Face Value	Offer Price	Number of Equity Shares Alloted	Total Consideration
Transferred from Satyanarayan Kabra to Sarojdevi Kabra	March 28, 2024	Transfer by way of Gift	10	NIL	60,000	NIL
Transferred from Satyanarayan	March 28, 2024	Transfer by way of Gift	10	NIL	50,000	NIL

<b>B. Secondary Transaction</b>						
<b>Name of the Acquirer</b>	<b>Date of Allotment / Transfer</b>	<b>nature of Allotment / transaction</b>	<b>Face Value</b>	<b>Offer Price</b>	<b>Number of Equity Shares Alloted</b>	<b>Total Consideration</b>
Kabra to KrishnaAwtar Kabra						
Transferred from Satyanarayan Kabra to Jyothi Kabra	March 28, 2024	Transfer by way of Gift	10	NIL	90,000	NIL
Transferred from Satyanarayan Kabra to Amit Maheshwari	March 29, 2024	Transfer	10	485	10	4,850
Transferred from Satyanarayan Kabra to Rachana Maheshwari	March 29, 2024	Transfer	10	485	10	4,850
Transferred from Satyanarayan Kabra to Priya Kabra	March 29, 2024	Transfer	10	485	10	4,850
Transferred from Sarojdevi Kabra to Kailash Kabra	June 05, 2024	Transfer by way of Gift	10	NIL	20,000	NIL
Transferred from KrishnaAwtar Kabra to Priya Kabra	June 05, 2024	Transfer by way of Gift	10	NIL	10,000	NIL
<b>Total</b>					<b>2,30,030</b>	<b>14,550</b>
<b>Weighted Average Cost of Acquisition (Secondary Transaction) (₹ per Equity Share)</b>						<b>0.06</b>

- d. The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition at which the Equity Shares were issued by our Company, or acquired or sold by the shareholders with rights to nominate directors are disclosed below:

Based on the disclosures in (a) above, the weighted average cost of acquisition of Equity Shares as compared with the Issue Price is set forth below:

<b>Types of transactions</b>	<b>Weighted average cost of acquisition (₹ per Equity Share)</b>	<b>Floor Price (₹[●]/-)</b>	<b>Cap Price (₹[●]/-)</b>
Weighted average cost of acquisition of primary issuances as per paragraph 12(a) below	NA^	[●]	[●]
Weighted average cost of acquisition for secondary transactions as per paragraph 12(b) below	NA^^	[●]	[●]
Weighted average cost of acquisition of primary issuance as per paragraph 12(c) (A) below	Nil	[●]	[●]

Weighted average cost of acquisition of secondary transactions as per paragraph 12(c) (B) above	0.06	[●]	[●]
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As certified by M/s S.N. Shah & Associates statutory auditors, vide their certificate dated [●].

^There were no primary / new issue of shares (equity/convertible securities).

^^There were no secondary sales / acquisition of shares (equity/ convertible securities) transactions in last 18 months from the date of this Red Herring Prospectus, the detail as required under paragraph (b) above is thus applicable

The Issue is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper Financial Express, all editions of Hindi national newspaper Jansatta, each with wide circulation and Gujarati edition of Financial Express, Regional Newspaper (Gujarati being the regional language of Gujarat, where our registered office is situated.)

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above-mentioned information along with “*Our Business*”, “*Risk Factors*” and “*Restated Financial Information*” on pages 109, 26 and 174 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “*Risk Factors*” or any other factors that may arise in the future and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFIT

### CERTIFICATE ON SPECIAL TAX BENEFITS FOR THE COMPANY, MATERIAL SUBSIDIARIES AND ITS MATERIAL SHAREHOLDERS

To,  
The Board of Directors,  
**Kabra Jewels Limited**  
6, Ground Floor, Iscon Center,  
Besides Tanishq, Shivranjani Cross Road,  
Satellite, Ahmedabad - 380015,  
Gujarat, India.

**Marwadi Chandarana Intermediaries Brokers Private Limited**  
X-change Plaza, Office no. 1201 to 1205, 12th Floor,  
Building No. 53E, Zone-5, Road 5E, Gift City,  
Gandhinagar - 382355, Gujarat, India

(Marwadi Chandarana Intermediaries Brokers Private Limited is referred to as the “Book Running Lead Manager” or the “BRLM”)

**Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (the “Equity Shares” and such offering, the “Offer”) of Kabra Jewels Limited (the “Company”)**

Dear Sir/ Madam,

We, M/s S.N. Shah & Associates , statutory auditors to the Company, Firm Registration Number 109782W, hereby confirm that the enclosed **Annexure A and B** provides the special tax benefits available to the Company, its shareholders and to its material subsidiaries identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (such entities referred to as “**Material Subsidiaries**”), pursuant to (i) the Income Tax Act, 1961, as amended by the Finance Act, 2023 and read with the rules, circulars and notifications issued in relation thereto; and (ii) applicable indirect taxation laws, as amended and read with the rules, circulars and notifications issued in connection thereto.

Several of these stated tax benefits/consequences are dependent on the Company or its shareholders or its Material Subsidiaries fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company or its shareholders or its Material Subsidiaries to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed annexure are not exhaustive. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither are we suggesting nor advising the investor to invest money based on this statement. These statements do not cover any general tax benefits available to the Company and/or its shareholders and/or its Material Subsidiaries and is neither designed nor intended to be a substitute for professional tax advice.

We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders or its Material Subsidiaries will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been/would be met with; or
- iii) The revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and its Material Subsidiaries and on the basis of our understanding of the business activities and operations of the Company and its Material Subsidiaries.

This certificate, including **Annexure A and B** herein, is for your information and for inclusion in the Draft Red Herring Prospectus, Red herring prospectus, Prospectus and any other material used in connection with the Offer (together the “**Offer Documents**”) with the Securities and Exchange Board of India (“**SEBI**”), National Stock

Exchange of India Limited (collectively, the “**Stock Exchanges**”) and subsequently the Red herring prospectus and the prospectus with the Registrar of Companies, Ahmedabad at Gujarat (“**RoC**”), in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**ICDR Regulations**”) may be prepared in connection with the Offer.

The aforesaid information contained herein and in **Annexure A and B** may be relied upon by the Book Running Lead Manager appointed pursuant to the Offer and may be submitted to the stock exchange, the Securities and Exchange Board of India, and any other regulatory or statutory authority in respect of the Offer and for the records to be maintained by the Book Running Lead Managers.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We undertake to update you in writing of any changes in the abovementioned position, until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully,

M/s. S. N. Shah & Associates,  
Chartered Accountants  
Firm Registration Number: 109782W

CA Priyam Shah  
(Partner)  
Membership Number: 144892  
UDIN: 25144892BMHVSH1200  
Date: January 04, 2025

## **ANNEXURE A TO THE STATEMENT OF TAX BENEFITS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the **Income Tax Act** presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

### **YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING, AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION**

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

The Company is not entitled to any special tax benefits under the Act.

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

#### **C. SPECIAL TAX BENEFITS TO THE SUBSIDIARY COMPANY- NOT APPLICABLE**

##### **Note:**

1. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
5. We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Red Herring Prospectus.

## **ANNEXURE B TO THE STATEMENT OF TAX BENEFITS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the GST Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

### **YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION**

#### **D. SPECIAL TAX BENEFITS TO THE COMPANY**

The Company is not entitled to any special tax benefits under the GST Act.

#### **E. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

The Shareholders of the Company are not entitled to any special tax benefits under the GST Act.

#### **F. SPECIAL TAX BENEFITS TO THE SUBSIDIARY COMPANY- NOT APPLICABLE**

#### **Note:**

1. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders
2. The above statement covers only certain relevant indirect tax law benefits and does not cover any direct tax law benefits or benefit under any other law.
3. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
5. We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Red Herring Prospectus.



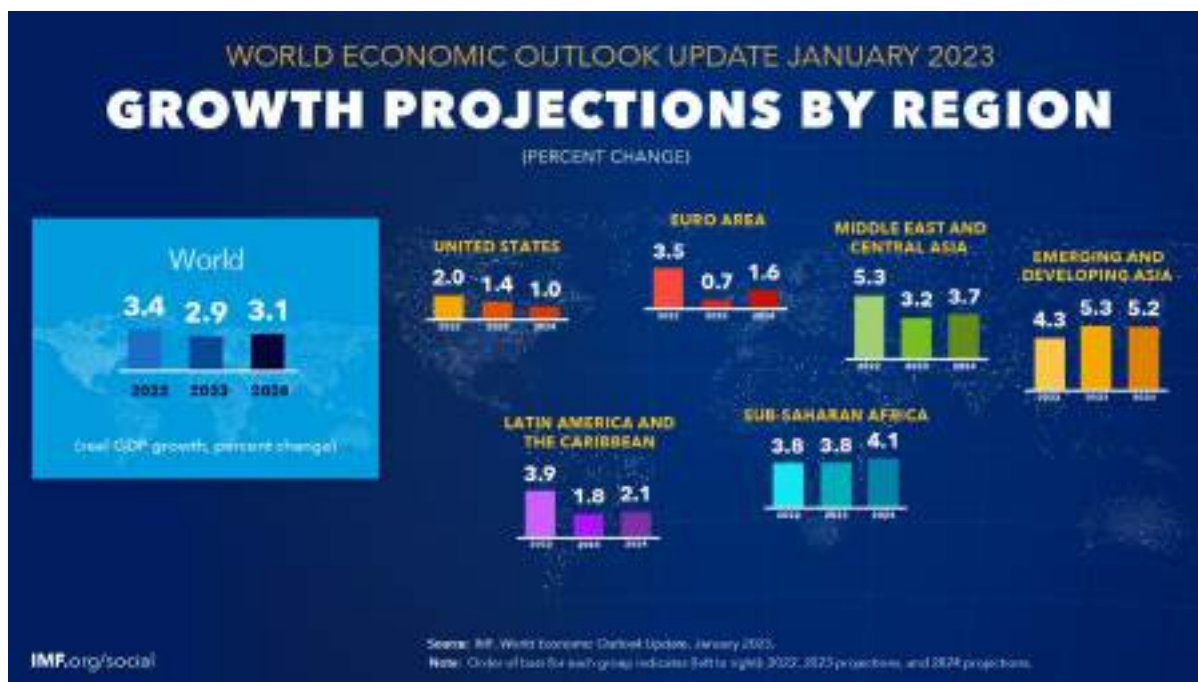
## **SECTION V – ABOUT THE COMPANY INDUSTRY OVERVIEW**

### **INDUSTRY OVERVIEW**

The information in this section has not been independently verified by us or any other person connected with the Issue or by any of our or their respective affiliates or advisors. This section also includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Further, the Investors should read the entire Prospectus, including the information contained in the sections titled “*Risk Factors*” and “*Restated Financial Statements*” and related notes beginning on page no. 26 and 174 respectively of this Prospectus before deciding to invest in our Equity Shares.

### **GLOBAL ECONOMIC OVERVIEW**

Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in 2023 and 2024 on an annual average basis. Compared with projections in the April 2023 World Economic Outlook, growth has been upgraded by 0.2 percentage point for 2023 with no change for 2024. The forecast for 2023-2024 remains well below the historical (2000-19) annual average of 3.8 percent. It is also below the historical average across broad income groups, in overall GDP as well as per capita GDP terms. Advanced Economies continue to drive the decline in growth from 2022-2023, with weaker manufacturing, as well as idiosyncratic factors, offsetting stronger services activity. In emerging market and developing economies, the growth outlook is broadly stable for 2023 and 2024, although with notable shifts across regions. Global headline inflation is set to fall from an annual average of 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024, broadly as projected in April, but above pre-pandemic (2017–19) levels of about 3.5 percent. About three-quarters of the world’s economies are expected to see lower annual average headline inflation in 2023. The forecast for 2023 is revised down by 0.2 percentage point, largely on account of subdued inflation in China. The forecast for 2024 has been revised upward by 0.3 percentage point, with the upgrade reflecting higher-than-expected core inflation. The balance of risks to global growth remains tilted downward, but adverse risks have receded since the publication of the April 2023 Outlook WEO. The resolution of US debt ceiling tensions has reduced the risk of disruptive rises in interest rates for sovereign debt, which would have increased pressure on countries already struggling with increased borrowing costs. The quick and strong action authorities took to contain banking sector turbulence in the United States and Switzerland succeeded in reducing the risk of an immediate and broader crisis. In most economies, amid the cost-of-living crisis, the priority remains achieving sustained disinflation. With tighter monetary conditions and lower growth potentially affecting financial and debt stability, it is necessary to deploy macroprudential tools and strengthen debt restructuring frameworks. Fiscal support should be better targeted at those most affected by elevated food and energy prices, and broad-based fiscal relief measures should be withdrawn. Stronger multilateral cooperation is essential to preserve the gains from the rules-based multilateral system and to mitigate climate change by limiting emissions and raising green investment.



SOURCE-<https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>

### **INDIAN ECONOMY OVERVIEW**

Aggravating the slower growth in global trade in 2023. Exporting one's way to growth will not be easy. This reinforces the need to lower logistics costs and invest in product quality to hold on to and expand market share in areas where India has an advantage. Closely related to this challenge is the advent of Artificial Intelligence with the profound and troubling questions it poses for growth in services trade and employment since technology might remove the advantage of cost competitiveness that countries exporting digital services enjoy. Third and arguably the most important is the energy transition challenge. Concerns over rising temperatures have led to a single-minded focus on reducing carbon emissions amidst the determination that the emission of greenhouse gases, particularly carbon, is the most significant causal factor. This has led to persistent demands from international organisations and advanced nations on developing nations to wean themselves off fossil fuels and switch to greener energy even as technological and resource obstacles remain and are not on offer from developed countries. It is a reality that, in the short run, there is a trade-off between economic growth and energy transition. In a growth-challenged post-Covid global economy, countries can ill afford to sacrifice the former for the latter. India is walking the fine line between the two more skilfully than other nations, with installed non-fossil fuel-based power generation capacity running ahead of targets. Importantly, India's unwavering commitment to ensuring steady economic growth is generating resources for investment needed for climate change adaptation, building resilience, and mitigating emissions. The Indian economy is better placed than ever to take on these three key challenges because of the policies adopted and implemented in the last decade. The Union government has built infrastructure at a historically unprecedented rate, and it has taken the overall public sector capital investment from ₹5.6 lakh crore in FY15 to ₹18.6 lakh crore in FY24, as per budget estimates. That is a rise of 3.3X. Whether the total length of highways, freight corridors, number of airports, metro rail networks or the trans-sea link, the ramp-up of physical and digital infrastructure in the last ten years is real, tangible and transformative. The financial sector is healthy. Its balance sheet is stronger. It is willing to lend and is lending. Non-food credit growth, excluding personal loans, is growing at double-digit rates. The pursuit of inclusive development finds Indian households in good financial health. Fifty-one crore bank accounts under Jan Dhan Yojana now have total deposits of over ₹2.1 lakh crore.

Over 55 per cent of them are women. In Dec. 2019, household financial assets were 86.2 per cent of GDP; liabilities were 33.4 per cent of GDP. In March 2023, these numbers were 103.1 per cent and 37.6 per cent, respectively. So, Net Financial Assets of households were 52.8 per cent of GDP in Dec. 2019, and by March 2023, it had improved to 65.5 per cent of GDP. Preface iii The economy has created jobs; the unemployment rate has declined considerably from the peaks during Covid times. The labour force participation rate has increased, especially that of women. Net new subscribers to the Employee Provident Fund (EPF) have steadily risen post

Covid, especially among the younger population. Women are also enrolling more than ever in tertiary education. The Eleventh Edition of the CII-Wheelbox India Skills Report based on the National Employability Test conducted by Wheelbox2 shows India's youth employability at 51.3 per cent, up from 33 per cent a decade ago. Institutional births are widely prevalent, and the infant mortality rate has declined, as has stunting. More remains to be done, however. In 2014, the economy was beset with high fiscal and current account deficits and double-digit inflation. Now, inflation is under control, the fiscal deficit is trending lower, the current account deficit is just above one per cent of GDP, and foreign exchange reserves cover nearly eleven months of imports. It has been a journey from fragility to stability and strength. Two things must be singled out here. The government's COVID management and the vaccination record have been instrumental in the quick recovery staged by the economy.

### **INDIAN JEWELLERY MARKET**

The Indian gems and jewellery market consist of gold, silver, and diamond jewellery, along with other precious gems and pearls. India is the world's second-largest consumer of gold, with 70% of the consumption being in the form of gold jewellery. Further, the Indian jewellery market can be divided into the categories of fine jewellery and costume jewellery, with 95% of the market comprising fine jewellery.

### **MARKET SIZE**

India's gems and jewellery market size was at US\$ 78.50 billion in FY21. Growth in exports is mainly due to revived import demand in the export market of the US and the fulfilment of orders received by numerous Indian exhibitors during the Virtual Buyer-Seller Meets (VBSMs) conducted by GJEPC.

India's total gems and jewellery exports reached US\$ 37.73 billion in 2022-23. From April-January 2024, India's gems and jewellery exports were at US\$ 26.35 billion, a 16.03% decline compared to the previous year's period.



SOURCE-( <https://www.ibef.org/industry/gems-jewellery-india>)

### **GEMS AND JEWELLERY ANALYSIS**

The gems and jewellery industry of India contributes 7% to India's Gross Domestic Product (GDP). The industry employs more than five million skilled and semi-skilled workforces in the country. The sector contributes about 15.71% of India's total merchandise exports, accounting for the third largest commodity share. During 2023-24 (until February 2024), the gems and jewellery exports to reach US\$ 29.61 billion with a decline in growth of 15.31% from 2022-23.

The Government of India, along with all the stakeholders of the gems and jewellery sector, is well committed to aggressively promoting exports, identifying challenges, and addressing them with necessary interventions, assisting exporters, especially SME units, and exploring new markets while consolidating existing ones. With strong growth prospects, the government of India has also declared the gems and jewellery sector as a focus area for export promotion.

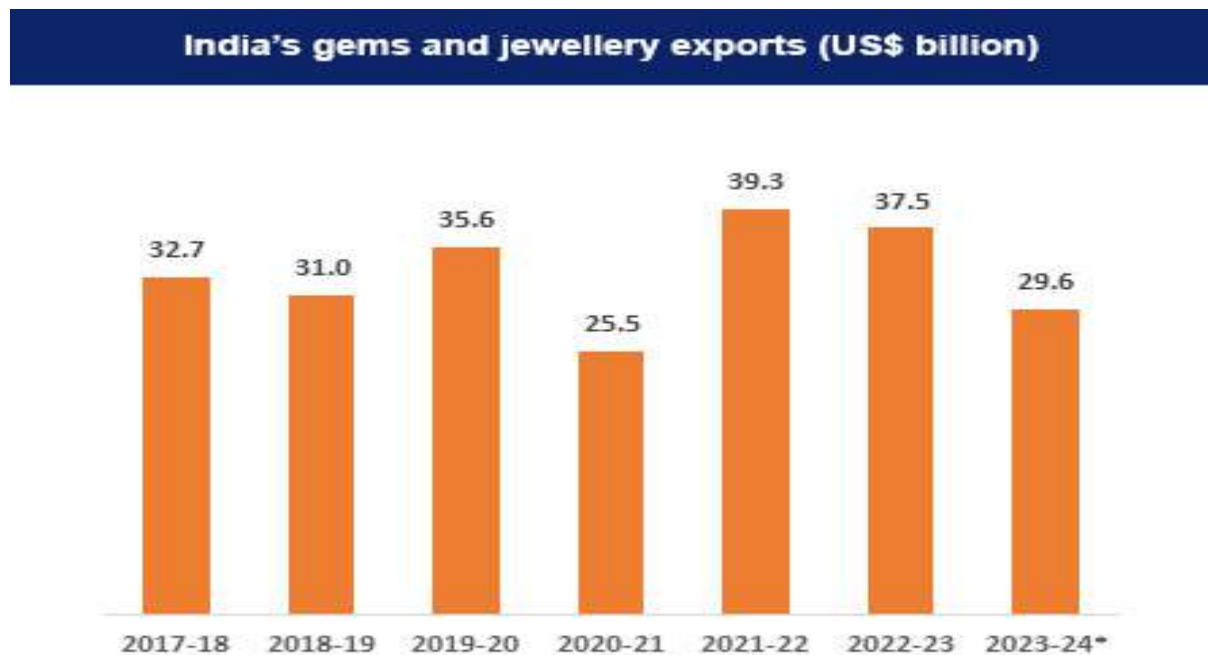
India majorly exports cut and polished diamonds, lab-grown synthetic diamonds, coloured gemstones, synthetic stone, plain and studded gold jewellery, silver and platinum jewellery, imitation jewellery and articles of gold, silver and others. Western Region is a key exporting hub for the gems and jewellery industry contributing almost 74.66% of the total exports in 2022-23. Surat, a city of Gujarat state in the western region of India has more than 450 organised jewellery manufacturers, importers, and exporters, making it the jewellery manufacturing hub of the world.

### **EXPORT TREND**

As per 2022 statistics, India’s gems and jewellery exports account for about 4.3% of the world’s total exports, making it the sixth-highest exporter in the globe. The country is ranked first in cut and polished diamonds, silver jewellery, and synthetic diamonds/stones with 26.5%, 29.8%, and 29% share of the total world’s exports, respectively. India is also ranked fourth in coloured gems stones with a 5.1% share of the total world’s exports. The overall gross exports of gems & jewellery stood at US\$ 37.46 billion in FY23. The overall gross exports of cut & polished diamonds stood at US\$ 22.04 billion in FY23.

In FY24 (until February 2024), the gross exports of gems and jewellery stood at US\$ 29.61 billion.

The Department of Commerce has set a gems and jewellery export target of US\$ 75 billion in coming years. The department is committed to enabling exporters by providing a conducive trade environment by bringing up trade-friendly policies to boost exports. The top gems and jewellery export destination countries in 2023-24 (until February 2024) were the USA (US\$ 9.1 billion), UAE (US\$ 7.4 billion), Hong Kong (US\$ 6.4 billion), Belgium (US\$ 1.9 billion), Israel (US\$ 723.63 million), Thailand (US\$ 659.42 million), Singapore (US\$ 624.04 million), UK (US\$ 536.86 million), Switzerland (US\$ 350.57 million), and Australia (US\$ 273.64 million).



Source: Gems & Jewellery Export Promotion Council (GJEPC),  
(\* - Until February 2024)

## **GOVERNMENT INITIATIVE**

- The Indian government accepted the recommendation of GJEPC to promote indigenous manufacturing in the emerging Lab-grown diamond sector by providing research grants to the Indian Institute of Technology (IIT) for five years.
- India has signed an FTA with the UAE which will further boost exports and is expected to reach the target of US\$ 52 billion.
- The Government has reduced custom duty on cut and polished diamond and coloured gemstones from 7.5% to 5% and NIL.
- Revised SEZ Act is also expected to boost gems and jewellery exports.
- In September 2021, Ms. Anupriya Patel, Minister of State for Commerce, and Industry said that reforms such as the revamped gold monetisation scheme, reduction in import duty of gold, hallmarking and others would help the industry grow. The market export target is US\$ 43.75 billion for 2021.
- The government has reduced import duty for Gold & Silver (from 12.5% to 7.5%) and Platinum & Palladium (from 12.5% to 10%) to bring down the prices of precious metals in the local market.
- Indian Government made hallmarking mandatory for Gold Jewellery and Artefacts. A period of one year is provided for implementation i.e., till January 2021.
  - In December 2020, All India Gem and Jewellery Domestic Council (GJC) welcomed the decision to make hallmarking compulsory from June 2021 in a phased manner; urged the government to examine the key concerns of the industry for smooth implementation of the initiative.
  - Hallmarking of gold jewellery is set to begin on June 15, 2021. In view of the COVID-19 pandemic, the government accepted the request of stakeholders to provide jewellers some more time to prepare for implementation and resolve issues. Earlier, the date of implementation was June 01, 2021.
- In December 2020, the Finance Ministry notified that the amendment under the Prevention of Money Laundering Act (PMLA), notifying dealers in precious metals and stones, will maintain records of cash transactions worth Rs. 10 lakh (US\$ 13.61 thousand) or more cumulatively with a single customer.

*SOURCE-(<https://www.ibef.org/industry/gems-jewellery-india>)*

## **RECENT DEVELOPMENTS-**

Cumulative FDI inflows in diamond and gold ornaments in India stood at US\$ 1,270.63 million between April 2000-December 2023, according to the Department for Promotion of Industry and Internal Trade (DPIIT).

Some of the key developments in this industry are listed below:

- In January 2024, Prime Minister, Mr. Narendra Modi inaugurated the commencement of the Bharat Ratnam Mega CFC at the SEEPZ SEZ in Mumbai in virtual mode (remotely). Bharat Ratnam Mega CFC is a Socio-economic project promoted by the Ministry of Commerce and Industry, GJEPC India and SEEPZ SEZ authority to drive exports from the country. This project aims at creating a world-class infrastructure for promoting the inherent skills of the gems & jewellery manufacturing industry. The Mega Common Facilitation Centre provides a supportive and collaborative environment for entrepreneurs, MSMEs and small businesses to grow and thrive.
- In September 2023, The Gem & Jewellery Export Promotion Council (GJEPC) has achieved a significant milestone by facilitating India's first jewellery exports through courier mode from Mumbai. This development represents a significant leap forward in simplifying international trade.
- In April 2023, The Gem & Jewellery Export Promotion Council (GJEPC) commences the first-ever Lab-grown Diamond Buyer Seller Meet (BSM) in Surat. The event was inaugurated by Mr. Virendra Singh, ITS, Development Commissioner & Additional DGFT; Mr. Kirit Bhansali, Vice Chairman, GJEPC; Mr. Vijay Mangukiya, Regional Chairman, Gujarat; Mr. Smit Patel, Convener, Lab-grown diamonds

committee, GJEPC; Mr. Sabyasachi Ray, ED, GJEPC along with others.

- In February 2022, GJEPC organized a four-day Internal Jewellery Show Signature 2022, where 850 exhibitors participated and there were more than 400 international visitors, buyers, and delegations from the US, UAE, Egypt, Nepal, Uzbekistan, and Bangladesh.
- In September 2021, Malabar Group invested Rs. 750 crore (US\$ 100 million) in a gold refinery and jewellery unit in Hyderabad.
- In May 2021, GJEPC and the Embassy of India, Morocco, co-hosted the 'India Global Connect' to better understand the present business climate in the gems and jewellery sector and seek trade prospects for manufacturers, exporters, and importers from both countries.
- The GJEPC will organise its first International Gems and Jewellery Show (IGJS) outside the country, in Dubai, from August 14-16, 2021. It will also hold a five-day physical exhibition—India International Jewellery Show (IIJS-2021)—in Bengaluru from September 15-19, 2021, in the first such event outside Mumbai. GJEPC sources said that >250 buyers have registered and >95 stalls have been booked for Dubai IGJS 2021. There will be 150 booths having products such as plain gold, gold-studded jewellery, diamond-studded jewellery, silver jewellery, loose diamonds, and gemstones.
- In June 2021, Tanishq launched antimicrobial jewellery in certain markets as a pilot project. Currently, the range is available in stores across Chennai and Lucknow, with further launches planned in Kolkata and Hyderabad followed by other key markets. Antimicrobial jewellery is being offered in categories such as chains and rings, which feature special-coated layers that self-disinfect the surface and impede any further microbial growth.
- In June 2021, the World Gold Council and Gem and Jewellery Export Promotion Council signed an agreement to promote gold jewellery in India. Under the agreement terms, both partners will jointly fund a multi-media marketing campaign that would aim to increase awareness, relevance, and adoption of gold jewellery amongst Indian consumers, especially millennials and Gen Z.
- In April 2021, Malabar Gold & Diamonds announced to invest Rs. 1,600 crore (US\$ 214 million) in FY22 to launch 56 stores, of which 40 would be in India and 16 across global markets. In India, stores will be opened in Tamil Nadu, Telangana, Andhra Pradesh, Karnataka, Maharashtra, Delhi, West Bengal, Uttar Pradesh, Odisha, and Kerala. In July 2021, the company announced the hiring of >5,000 staff, across its retail operations, brand headquarters and regional offices in the country.
- In March 2021, Joyalukkas collaborated with IBM Global Business Services to design, develop and deploy a new cloud-native e-commerce platform across 11 countries including India, the UAE, the US, the UK, Singapore, Malaysia, Bahrain, Qatar, Saudi Arabia, Kuwait, and Oman.
- In February 2021, Reliance expanded its e-commerce arm, JioMart, to jewellery with silver coins of 5gm and 10 gm, and gold coins of 1gm, 5gm and 10gm.
- Reliance's in-house jewellery brand, Reliance Jewels, which has ~93 flagship showrooms and 110 shop-in-shops in 105 cities in the country, will fulfil the orders for the new segment.

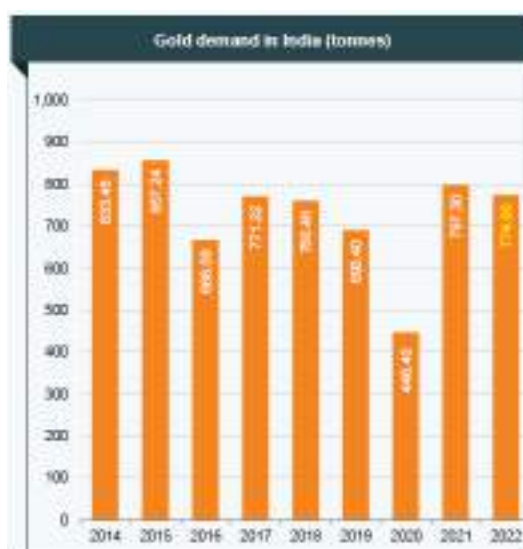
## **GROWTH DRIVERS AND OPPORTUNITIES**

### **GROWTH DRIVERS OF GEMS & JEWELLERY SECTOR IN INDIA**



## **HIGH GOLD DEMAND IN INDIA ACTS AS A MAJOR DRIVER FOR GROWTH AND OPPORTUNITY**

- According to Gem and Jewellery Export Promotion Council, between April-December 2022, imports of gold bars stood at US\$ 1,849 million and gold jewellery stood at US\$ 216 million.
- India's gold demand stood at 800 tonnes in 2023.
- The third and fourth quarters of 2022 have been better for businesses, as compared to the first two quarters. Total jewellery demand in terms of volume in the third quarter of 2022 stood at 146.2 tonnes, while it stood at 219.7 tonnes in the fourth quarter.



## **GOVERNMENT INITIATIVES AND REGULATORY FRAMEWORK**

### **1. Gems and jewellery industry related to duties and taxes**

- In the Union Budget 2023-24, the government proposed to increase the import duty on silver dore, bars, and articles to 10% to align them with that of gold and platinum.

### **2. FDI Policy**

- The Government has permitted 100% FDI in the sector under the automatic route, wherein the foreign investor or the Indian company do not require any prior approval from the Reserve Bank or Government of India.

### **3. Demonetisation**

- The demonetisation move is encouraging people to use plastic money and debit/ credit cards for buying jewellery. This is good for the industry in the long run and will create more transparency.

- The Government would notify a new limit for reporting about transactions in gold and other precious metals and stones to authorities to avoid the parking of black money in bullion.

#### **4. Gold spot exchange**

- The government's announcement on establishing gold spot exchange could help in India's participation in determining gold price in the international market.

#### **5. BIS Hallmarking Scheme**

- The gold jewellery hallmark will now carry a BIS mark, purity in carat and fitness as well as the unit's identification and the jeweller's identification mark. The move is aimed at ensuring a quality check on gold jewellery.
- The Government made hallmarking mandatory for Gold Jewellery and Artefacts. A period of one year is provided for implementation, i.e. until January 2021.
- In August 2020, the Indian government launched an online registration and renewal system for 'Jewellers & Hallmarking' centres. This online system can be accessed via BIS web portal ([www.manakonline.in](http://www.manakonline.in))

#### **6. Gold Monetisation Scheme**

- The Gold Monetisation Scheme was launched in November 2015. This scheme enabled individuals, trusts and mutual funds to deposit gold with banks and earn interest on the same in return.
- As of January 2019, the Reserve Bank of India (RBI) increased the scope of the gold-monetization scheme by allowing charitable institutions and Government entities to deposit gold to boost deposits over the coming months.

#### **7. Mandatory hallmarking regime**

- In December 2020, All India Gem and Jewellery Domestic Council (GJC) welcomed the decision to make hallmarking compulsory from June 2021 in a phased manner; urged the government to examine the key concerns of the industry for smooth implementation of the initiative.
- Hallmarking of gold jewellery is set to begin from June 15, 2021. In view of the COVID-19 pandemic, the government accepted request of stakeholders to provide jewellers some more time to prepare for implementation and resolve issues. Earlier, the date of implementation was June 01, 2021.

#### **8. Prevention of Money Laundering Act (PMLA)**

- In December 2020, the Finance Ministry notified that the amendment under Prevention of Money Laundering Act (PMLA), notifying dealers in precious metals and stones, will maintain records of cash transactions worth US\$ 13.61 thousand (Rs. 10 lakh) or more cumulatively with a single customer.

#### **9. Special Group**

- In August 2020, the government called for constituting a special group, which will include both customs and banking officials, to resolve issues faced by the gem and jewellery sector.

#### **10. EDI (Electronic Data Interchange) Connectivity of Postal Service with Customs in e-commerce Policy**

- In December 2020, the Gem and Jewellery Export Promotion Council (GJEPC) urged the government to include in the



- Comprehensive e-commerce policy the EDI connection of postal services with customs, to enable banks to automatically close ecommerce exports against advance credit card payments by foreign purchasers.
- The step would drive for progressive reforms to help the industry fulfil its long-term goal of being the epicentre of global gems & jewellery.

#### 11. Suspension of additional tariff on goods by the US

- In June 2021, the US suspended additional tariffs on six countries, including India, that have imposed or are considering equalisation levy/digital services tax on e-commerce companies for up to six months. This was done to provide additional time to complete the ongoing multilateral negotiations on international taxation at the Organisation for Economic Co-operation and Development (OECD) and G20.
- The suspension is likely to provide relief to the COVID-hit gems & jewellery sector in India.

#### Increasing FDI inflows into the sector

- The total foreign direct investment (FDI) inflows in the gems and jewellery sector during 2021-22 stood at US\$ 58.77 billion.
- The Government of India permitted 100% FDI in the sector through an automatic route.
- The US\$ 35.77 billion (Rs. 250,000 crore) big household jewellery industry is probably going to get a major lift through the government's decision for FDI in retail.



#### ROAD AHEAD

In the coming years, growth in the gems and jewellery sector would largely be contributed by the development of large retailers/brands. Established brands are guiding the organised market and are opening opportunities to grow. Increasing penetration of organized players provides variety in terms of products and designs. Online sales are expected to account for 1–2% of the fine jewellery segment by 2021–22. Also, the relaxation of restrictions on gold import is likely to provide a fillip to the industry.

The improvement in availability along with the reintroduction of low-cost gold metal loans and likely stabilisation of gold prices at lower levels is also expected to drive volume growth for jewellers over the short to medium term. India has 450 organised jewellery manufacturers, importers & exporters and is the hub for jewellery manufacturing. These players have benefited greatly due to the increasing liberal policies by the government. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry. India's gems and jewellery industry is expected to reach US\$ 100 billion by 2027.

(Source: [https://www.ibef.org/download/1690789781\\_Gems-and-Jewellery-May-2023.pdf](https://www.ibef.org/download/1690789781_Gems-and-Jewellery-May-2023.pdf) )

## OUR BUSINESS

### *Overview*

Our company was originally incorporated and registered as a private limited company under Companies Act, 1956 in the name and style of Kabra & Malpani Jewels Private Limited vide certificate of incorporation dated July 21, 2010 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a resolution of our Board dated May 10, 2012 and a resolution of our shareholders dated June 07, 2012, the name of our company was changed to ‘Kabra Jewels Private Limited’ and a fresh certificate of incorporation dated June 28, 2012 was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a resolution of our Board dated April 15, 2024 and a resolution of our shareholders dated May 11, 2024, our Company was converted into a public limited company under the Companies Act, and consequently the name of our company was changed to ‘Kabra Jewels Limited’, and a fresh certificate of incorporation dated August 05, 2024 issued by Registrar of Companies, Central Processing Centre.

Our Company was founded in 2010 in the name and style of “KK Jewels” a proprietorship firm and it is the idea of Mr. Kailash Kabra, a first-generation jeweller. Mr. Kailash Kabra ventured into the world of gems and jewellery at a young age of 21 years. He is dedicated to the industry and aims to offer customers jewellery that represents Indian culture. Since the start, KK Jewels has focused on giving its customers a different shopping experience. KK Jewels is a brand that offers an exquisite collection of fine jewellery at a prominent location in Ahmedabad, Gujarat.

Our company operates in the retail jewellery sector, offering a diverse range of gold, diamond, and silver ornaments and our other offerings include gold and silver coins, utensils and other artifacts. Our Company, guided by our Promoters and their team, understands customer preferences and creates designs to meet their needs. Our primary expertise is in designing and we market our exclusive creations under the brand name “KK Jewels”. We have a diverse product portfolio which includes rings, earrings, pendants, bracelets, chains, necklaces, bangles and other wedding jewellery through which we cater a large number of customers. As on the date of this RHP, Our Company has 6 showrooms under the brand *KK Jewels Bridal*, *KK Jewels Diamond*, *KK Jewels Silver*, *KK Jewels Gold*, *KK Jewels - Atarashi* and *KK Jewels - Silver Studio*, 3 offices and 1 exhibition centre located in the city of Ahmedabad. All of these showrooms are operated and managed by us, and has been taken on rental basis. For further details of our showrooms, office and exhibition centre refer section “*Our Business – Our Location*” on page no. 140. The gold, diamond and other jewellery inventory in each showroom match customer preferences and designs. Our main strengths are our focus on design and innovation, our understanding of consumer preferences and market trends, the detail in our designs, and the quality of our products.

***The Showroom wise Sales breakup for the last three financial years is as follows:***

<b>(Rs. In Lakhs)</b>					
<b>Sr. No.</b>	<b>Name of the Showroom</b>	<b>Commencement of Business</b>	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2022</b>
1.	KK Jewels Bridal and KK Jewels Diamond	August 05, 2010 and August 01, 2020	9,199.27	10,196.47	11,208.04
2.	KK Jewels Gold	August 01, 2020	3,551.51	-	-
3.	KK Jewels Silver	August 01, 2020	1,946.78	-	-
4.	KK Jewels – Atarashi	February 01, 2022	1,029.48	1044.78	-
5.	KK Jewels - Silver Studio	February 01, 2022	498.87	515.19	-
6.	KK Jewels – Gandhidham*	August 05, 2022	174.26	470.64	-
<b>Total</b>			<b>16,400.17</b>	<b>12,227.07</b>	<b>11,208.04</b>

\*The showroom has been non-operational since April 01, 2024.

Our Company sells its diamond and gold jewellery in the brand name of “KK Jewels” and sells loose solitaire in the brand name of “Only Solitaires”. We design, get it manufactured and sell a wide range of gold, studded and other jewellery products across various price points ranging from jewellery for special occasions, such as weddings, which is our highest-selling product category, to daily-wear jewellery. We engage local artisans to manufacture jewellery (based on our specifications and designs). We work with local artisans to make jewellery based on our designs that match local tastes in the markets we serve. This helps us create a product mix and store

experience in each showroom. We outsource the work of making ornaments to various artisans with whom we have developed relationships. We offer a large variety of handcrafted jewellery, which are designed by our in-house designers and manufactured in close collaboration with skilled local craftsman. We have a dedicated design team which is focused on developing new products and designs that meet customers' requirements. We believe that our access to a range of contract manufacturers allows us to offer a diverse product range. We also customize jewellery for individual needs.

## Our Business Model

1. We work under two types of business model:

Model 1: Where we procure goods directly from vendor. (General Designs)

Model 2: Where we customize jewellery on the basis of our in-house specialized designs or on the basis of customer order. We select vendor or karigar on the basis of their expertise for jewellery to be manufactured.

Please find below detail distinguish between Model 1 and Model 2:

Sr. No.	Business Model No. 1 Direct procurement of products	Business Model No. 2 Customized manufacturing of products
1	<p><b>Mode of purchase/ acquisition</b></p> <p>In this model, the jewellery is purchased/ acquired from reputed vendors.</p>	<p>In this model, designs developed by design department/ design submitted by customer is given to Artisan/ Karigar, who in turn manufactures the customised jewellery and is acquired by the company.</p> <p>Also, in case of specialised high end/ high value designs, developed by the company, the company approaches some reputed vendors/manufacturers, to supply/manufacture the jewellery, <b>exclusively for the company</b>, as per the design submitted by the company (either in house developed design or customer submitted picture/design). The</p>
2	<p><b>Items under the Model</b></p> <p>Generalized design items like:</p> <ul style="list-style-type: none"> <li>• Chains</li> <li>• Rings</li> <li>• Pendants</li> <li>• Earrings</li> <li>• Bangles</li> <li>• Bracelets</li> <li>• Kadas</li> <li>• Set of small Necklaces containing Pendants &amp; earrings (without chain) etc.</li> </ul> <p>where similar items or similar designed items may be available with other showrooms as well.</p>	<p>Customized jewellery which is specially designed (inhouse) or design submitted by customers like:</p> <ul style="list-style-type: none"> <li>• Set of jewellery containing all or any of the followings: <ul style="list-style-type: none"> <li>- Necklace</li> <li>- Mang tikka</li> <li>- earrings</li> <li>-Bracelet</li> <li>- Kamarband (belly Chains)</li> <li>- Designer bangles</li> <li>- Bridal chura</li> <li>- Designer ring etc.</li> </ul> </li> </ul> <p>mainly for special occasions like wedding, Housewarming, Baby shower or some other religious festivals/ events or special occasions etc.</p> <p>The items acquired under this model are generally exclusive designed articles which are not being sold by other show rooms.</p>
3	<p><b>Process of Purchase/ acquisitions</b></p>	
a.	<p>Vendor salesperson visits our showroom/ office and shows us various jewellery to our purchase team, who in turn select the jewellery.</p>	<p>a.</p> <p>Various designs are developed for various items (listed as above) by in house designers. Also, some time, pictures of design are provided by customers.</p>

Sr. No.	<b><u>Business Model No. 1</u></b> <b>Direct procurement of products</b>		<b><u>Business Model No. 2</u></b> <b>Customized manufacturing of products</b>
b.	The selected jewellery is also discussed with show room manager (to check existing stock as well as to check the saleability of the jewellery).	b.	The designs (developed in house) are discussed with Show room managers (to check the present trend of saleable designs, trend in fashion, as well as modification in the design)
c.	Final approval is given by Purchase head / director and then the jewellery is decided to be purchased based on terms finalised with vendor as to rate, payment terms etc.	c.	<p>i. The design (as discussed in b hereinabove as finalised by team or as provided by customer) is discussed with artisan/ Karigar and detailed estimate as to:</p> <ul style="list-style-type: none"> <li>• Gold weight involved</li> <li>• Cost of Precious stones/ diamonds</li> <li>• Labour cost (making charge payable to Karigar)</li> </ul> <p>is prepared.</p> <p>ii. The detailed estimate is discussed with show room manager/ director as to saleability (in terms of value of the jewellery e.g. Design may be extremely good, but if the estimated cost is more than high and after adding the margin, if it is likely to be not saleable, the same design has to be rejected)</p> <p>iii. The jewellery as per finally approved design is ordered for supply/manufacturing to the artisan/ karigar or selected vendors and terms are finalised as to labour charges, value of stones etc. to be fixed, delivery time of jewellery etc.</p> <p>iv. In case of order being given to Artisan/ Karigar, Gold (bullion) involved in the design is given to the artisan/Karigar to manufacture mould as per the design. (In case of order being given to vendor, gold bullion may or may not be supplied, depending on terms with him.)</p> <p>v. The mould prepared by Artisan/ Karigar is inspected by the team to confirm with the approved design, which may check and suggest changes if any. (In case of order being given to Vendor, this step may or may not be involved)</p> <p>vi. If decided to supply at the time of order, the artisan / Karigar is provided with precious stones/ coloured stones / Diamonds etc. for fixing in the mould.</p> <p>vii. The finished jewellery supplied by artisan/ Karigar is inspected by purchase team and if approved, polishing is carried out by artisan/Karigar. This step may or may not be required in case of designer jewellery acquired from the vendor, depending on the quality of the vendor.</p>
d.	The selected jewellery is checked for weight, quality, required certifications etc.	d.	On delivery, the final jewellery is checked for weight, quality, required certifications etc.
e.	Finally, the purchased jewellery is entered into inventory register, barcoding is carried out and is either stored in locker or displayed in the showroom for sale.	e.	Finally, the jewellery supplied by artisans/ Karigar/ Vendors is entered into inventory register, barcoding is carried out and is either

Sr. No.	<b>Business Model No. 1</b> <b>Direct procurement of products</b>	<b>Business Model No. 2</b> <b>Customized manufacturing of products</b>
		stored in locker or displayed in the showroom for sale.  <b>OR</b> In case, the customised jewellery is obtained from artisans/ Karigar/ Vendors as per specific picture/ design submitted by customer, the jewellery is directly sold to the customer

The below table set forth the breakdown of number of engagement with vendors / karigars and the value of purchase from them for last three financial year:

Particulars	FY 2021-2022	₹ in Lakhs	FY 2022-2023	₹ in Lakhs	FY 2023-2024	₹ in Lakhs
Number of Vendors (model 1 & Raw materials)	212	2,998.69	350	4,169.96	1410	5,335.55
Number of Vendors (model 2) (Refer note 1)	182	5,831.72	206	7,933.16	255	7,709.51
Number of Job workers (Karigars) (model 2) (Refer note 2)	1	1,370.26	1	1,848.85	1	2,019.08
<b>Total</b>	<b>395</b>	<b>10,200.67</b>	<b>557</b>	<b>13,951.97</b>	<b>1666</b>	<b>15,064.14</b>

Note 1: The above job worker is given gold etc to make jewellery as per design provided by the company. However, when the company issues such gold etc., the invoice is raised on the above referred job worker so that inventory and GST records are maintained as per physical inventory lying in the company. When the above referred job worker, gives finished jewellery (as per the design provided to him), he raises invoice for full value of the jewellery to us which is accounted as purchase of jewellery by the company.

Similar practice is also done for vendors under model 2, if gold is given in advance, otherwise the vendor raises full value of jewellery (as per terms decided at the time of giving design to him) while delivering jewellery which is accounted as purchase of jewellery by the company.

Note 2: The Issuer Company operates seven retail showrooms within the same vicinity. In line with standard practices in the gems and jewelry industry, a single lead job worker is appointed for the entire process, from order creation to delivery, serving as the sole point of contact. This lead job worker oversees a team of various workers who report directly to him. The lead job worker takes responsibility for getting the work done by utilizing his own karigars or by hiring additional karigars as needed. Once the work is completed, he then issues an invoice to us or exchanges gold for gold used in the jewellery. Since we primarily coordinate with the lead job worker, who manages his own team, we have referred to him as a 'single job worker'.

*Details of the product-wise revenue break-up for the last three financial years is as below:*

(Rs. In Lakhs)

Particulars	For the Financial Year Ended					
	2024		2023		2022	
	Revenue contribution	As a % of our Revenue	Revenue contribution	As a % of our Revenue	Revenue contribution	As a % of our Revenue
Gold Jewellery (22 KT Polki Meena Jewellery, 24 KT Gold, Gold Ornaments)	10,627.82	64.80%	6,435.84	52.64%	6,649.04	59.32%

Diamond & Diamond Jewellery and Solitaires	3,190.02	19.45%	5,205.81	42.58%	4,331.53	38.65%
Silver Jewellery and Articles	2,401.74	14.64%	NA*	-	NA*	-
Others (Including platinum jewellery)	180.59	1.10%	585.42	4.79%	227.47	2.03%
<b>Total Revenue</b>	<b>16,400.17</b>	<b>100.00%</b>	<b>12,227.07</b>	<b>100.00%</b>	<b>11,208.04</b>	<b>100.00%</b>

\*Our Company has started selling silver jewellery and articles since FY 2024.

### ***Our Unique Selling Points***

#### ➤ Designing

A key factor in growing our brand has been our focus on innovation and offering unique designs. The designs for our jewellery are selected based on our market insights, study, customer research, recent preferences and trends and knowledge from the regions in which we operate. Our marketing team uses insights relating to customer preferences and trends that they gain through extensive market research, data analytics and customer feedback to develop a strategy and vision for new jewellery designs in line with these market trends and regional variations. We design our products based on customer needs and have established arrangements with various vendors and job workers who manufacture products on our behalf using our designs.

#### ➤ Primary distinguishing feature – “Pagla Ceremony”

At KK Jewels Bridal Jewellery Store, we offer a unique service for clients who purchase our bridal jewellery. We host an auspicious event called the “Pagla Ceremony” for those who buy bridal jewellery from us. During this special ceremony, we invite the bride and the groom with their families to enjoy a one-hour program with delicious snacks and other offerings. We take the bride's footprint on a wooden pagla plate and later present it to her family as a token of good luck and prosperity. This emotional and auspicious ceremony has been highly appreciated by our clients, making us well-known in Ahmedabad for this exceptional effort. This event is the distinguishing factor for our brand and is a major unique selling point giving us a competitive advantage. The image of the Pagla Ceremony is shown below.



### ***Major Awards and Accolades***

We are member of All India Gems and Jewellery Domestic Council. Also, we have been awarded with the following recognitions in the past: -

<b>Calendar Year</b>	<b>Details</b>
2023	Received the award for “Prominent Jeweller - 2023 With Finest & Largest Bridal Jewellery Collection” by Divya Bhaskar Group
2022	Received the award for “Best Ambience Store in India” (Runners up), an initiative by Indian

Calendar Year	Details
	Jeweller Magazine
2022	Received the award for “The Best Bridal Jewellery in Gujarat – 2022” by Divya Bhaskar Group
2022	Received the award for “Best Antique Gold Bangle” by Retail Jeweller India Awards 2022
2021	Received the “Best Ambience” award, an initiative by Indian Jeweller Magazine Store
2021	Received the award for “Best Business Practices” by Gem & Jewellery Trade Council of India
2020	Received the award for “Best Single Store (West)” At National Jewellery Awards 2020 – Mumbai
2019	Received the award for “Accessory Jewellery of The Year” by Jaipur Jewellery Show and Jewellers Choice Design Awards
2019	Received the award for “Best Bridal Jewellery – 2019” by Divya Bhaskar Group
2018	Received the “India’s Coolest Store” award, an initiative by Indian Jeweller Magazine
2018	Received the “Times Men of the Year” award, an initiative by the Times Group
2018	Received the “India’s Most Preferred Jewellers” award, a UBM Initiative
2008	Received the “The Rising Entrepreneur – 2008, Gujarat” award by the then Hon’ble Prime Minister of India Mr. Narendra Modi

### ***Our Products***

We sell a wide range of jewellery products in gold, diamond and silver category which are studded with precious and semi-precious stones. Our product offerings includes rings, earrings, pendants, nose rings, bracelets, chains, necklaces, bangles and customized jewellery for weddings. Each piece of our collection is crafted by skilled artisans, and we focus on creating unique designs that reflect the follow the latest the industry trends. Our product portfolio consists standard and antique gold jewellery, gold jadtar jewellery, gold polki jewellery, gold kundan meena jewellery, real diamond jewellery, loose diamonds, solitaires and solitaire jewellery, as well as silver jewellery, silver utensils, and silver articles, lab grown diamond jewellery, rose gold jewellery, platinum jewellery, men’s accessories jewellery etc.

Our wide range of product serves different customer groups. At KK Jewels, we understand that each customer is different so we offer variety of designs.

We believe that the gold, diamond and other jewellery inventory in each individual showroom reflects regional customer preferences and designs. Some photos of our finished products are presented below:

*(This space is intentionally left blank)*

**Standard and Antique Gold Jewellery**



**Gold Jadtar Jewellery**





**Gold Polki Jewellery**



**Gold Kundan Meena Jewellery**



**Real Diamond Jewellery**



### Solitaires and Solitaire Jewellery



### Silver Jewellery, Silver Utensils and Silver Articles



**Lab Grown Diamond Jewellery**



**Rose Gold Jewellery**



**Platinum Jewellery and Men's Accessories Jewellery**



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*Our Showrooms*

**KK Jewels Bridal**



**Location:** Shop no. 06, Iskon Centre, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat 380015, India.

**Area:** 1561 sq. ft.

**Commencement date of Business:** August 05, 2010

**Products:** Antique Gold Jewellery/ Gold Jadtar Jewellery/ Gold Polki Jewellery/ Gold Kundan Meena Jewellery mainly consisting of set of necklace/ Earring, Ring, Bangles/ Kada, Bracelet, Mang-Tikka, Mangal sutra etc. to be given on the occasion of Marriage.

**Customer classification:** To cater the demand of jewellery mainly for the purpose of marriage or any other occasions.

**KK Jewels Diamond**



**Location:** Shop No. 09, Iskon Centre, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat 380015, India.

**Area:** 1280 sq. ft.

**Commencement date of Business:** August 01, 2020

**Products:** Real Diamond Jewellery/ Loose Diamonds/ Solitaires and Solitaire Jewellery.

**Customer classification:** To cater demand of upper middle class & upper-class family.

**KK Jewels Gold**



**Location:** Shop no. 11, Iskon Centre, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat 380015, India.

**Area:** 1472 sq. ft.

**Commencement date of Business:** August 01, 2020

**Products:** All kinds of jewellery made of gold and precious stones.

**Customer classification:** To cater demand for general gold jewellery.

**KK Jewels Silver**



**Location:** Shop no. 106, Iskon Centre, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat 380015, India.

**Area:** 1390 sq. ft.

**Commencement date of Business:** August 01, 2020

**Products:** Silver Jewellery & Silver and allied metal utensils and articles.

**Customer classification:** Exclusive show room for silver items & articles.



## KK Jewels – ATARASHI



**Location:** Shop no. 109, One42 Building, Ambali Bopal Road, Ahmedabad, Gujarat 380054, India

**Area:** 980 sq. ft.

**Commencement date of Business:** February 01, 2022

**Products:** Polki and Real Diamond Light Jewellery

**Customer classification:** To cater demand of low value & light weight jewellery mainly for youth & middle-class customers.

## KK Jewels - SILVER STUDIO



**Location:** Shop no. 104, One42 Building, Ambali Bopal Road, Ahmedabad, Gujarat 380054, India

**Area:** 1350 sq. ft.

**Commencement date of Business:** February 01, 2022

**Products:** Silver Jewellery and Utensils and Articles

**Customer classification:** To cater demand for all kind of specialised articles made of silver & allied metals.

In addition to above showrooms, Our Company also has 3 offices and 1 exhibition centre. The details of which are tabled below.

Sr. No.	Particulars	Purpose of Office
1.	Office No. 210, Iskon Centre, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat - 380015, India.	To manage the accounts and finance of the company.
2.	Office No. 206, Iskon Centre, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat - 380015, India.	To do labelling, conducting meetings, sorting of the diamond and Quality Control & Inventory Management.
3.	Unit No. 208, "ONE 42", Off Bopal Ambli Road, Opp Ashok Vatika, Bodakdev, Ahmedabad, Gujarat - 380054, India	To accommodate the photo shoot of the models and for sales and marketing purpose.
4.	Exhibition Centre 112, One42 Building, Ambali Bopal Road, Ahmedabad, Gujarat-380054, India	The company facilitates exhibition by various branded jewellery where it also takes part to increase its marketing base.

### Financial summary

Our Key Financial and other Operational Performance Indicator relevant to our business are:

(₹ in lakhs unless otherwise stated)

Key Performance Indicator	For the Period ended November 30, 2024	Financial Year 2024	Financial Year 2023	Financial Year 2022
Revenue from Operations	12,527.98	16,400.17	12,227.07	11,208.04
EBITDA	2,000.61	2182.46	1239.22	1174.05
EBITDA Margin (%)	15.97%	13.31%	10.14%	10.48%
PAT	880.89	939.64	440.58	540.47
PAT Margin (%)	7.03%	5.73%	3.60%	4.82%
ROE (%)	22.10%	30.25%	20.34%	31.32%
ROCE (%)	14.14%	18.23%	13.62%	18.26%

### Our Customers & Suppliers

The following is the breakup of the top customers/suppliers of our Company for the periods indicated below:

Particulars	For the period ended November 30, 2024		For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	(Rs. in lakhs)	%	(Rs. in lakhs)	%	(Rs. in lakhs)	%	(Rs. in lakhs)	%
Top Customer	445.76	3.56%	313.79	1.91%	345.89	2.83%	692.94	6.18%
Top 5 Customers	1,544.87	12.33%	1,282.43	7.82%	1,277.41	10.45%	1,998.49	17.83%
Top 10 Customers	2365.91	18.89%	1,943.36	11.85%	1,970.81	16.12%	2,651.22	23.65%

Particulars	For the period ended November 30, 2024		For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	(Rs. in lakhs)	%	(Rs. in lakhs)	%	(Rs. in lakhs)	%	(Rs. in lakhs)	%
Top Supplier	1234.61	9.72%	1,110.11	7.37%	702.12	5.03%	1,054.84	10.34%
Top 5 Suppliers	3,053.31	24.05%	3,031.71	20.13%	3,072.80	22.02%	3,519.11	34.50%
Top 10 Suppliers	4,412.04	34.75%	4,439.51	29.47%	4,879.12	34.97%	4,681.02	45.89%

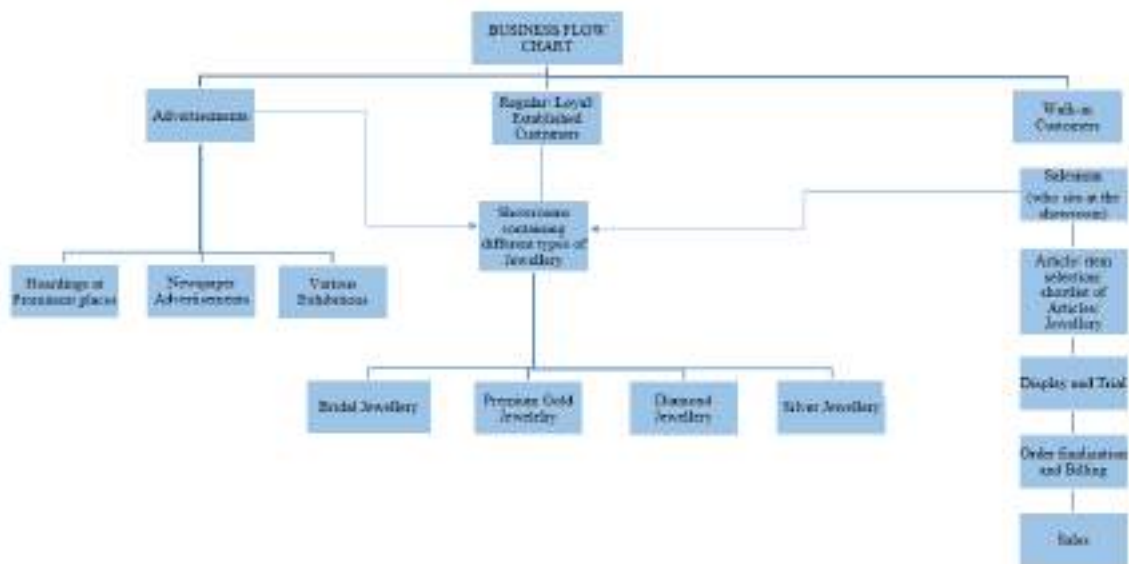
**Our Business Process**

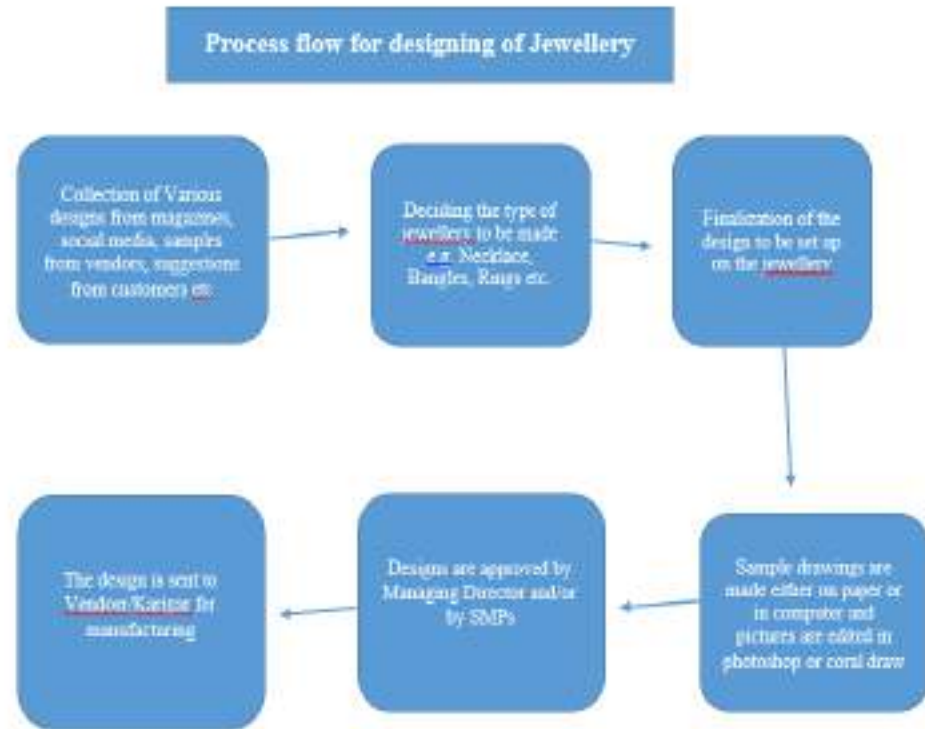
With over fifteen years of experience, supported by our Promoters extensive background in the jewellery industry, we have developed an effective business model. Our unique proposition lies in our complete control over the entire value chain.

On the demand side, we sell our products through six retail showrooms under the “KK Jewels” brand, located in Ahmedabad, directly serving end consumers in Gujarat. On the supply side, we have an in-house design process that is highly flexible and customizable. This robust process begins with thorough market research, followed by theme development, form layout creation, and meticulous crafting of each jewellery element to achieve the desired finish and designs. Our commitment to constant innovation and unique designs has been a key pillar in growing our brand. Additionally, we work with a network of skilled external artisans to meet specific customer requirements and acquire certain offerings for our silver jewellery retail showroom directly from other vendors on a trading basis.

Our company operates through a streamlined process where we collaborate closely with trusted vendors and job workers, with whom we maintain long-term relationships. Our job workers and vendors handle various stages of the manufacturing process, including procuring of raw materials, casting, polishing, and stone setting, while adhering to our stringent quality standards. This collaborative approach ensures efficient production, optimal cost management, and the consistent delivery of superior jewellery pieces to our customers.

**Business Flow Chart**





The Company ensures that it does not violate any existed copyrighted designs by the following methods:

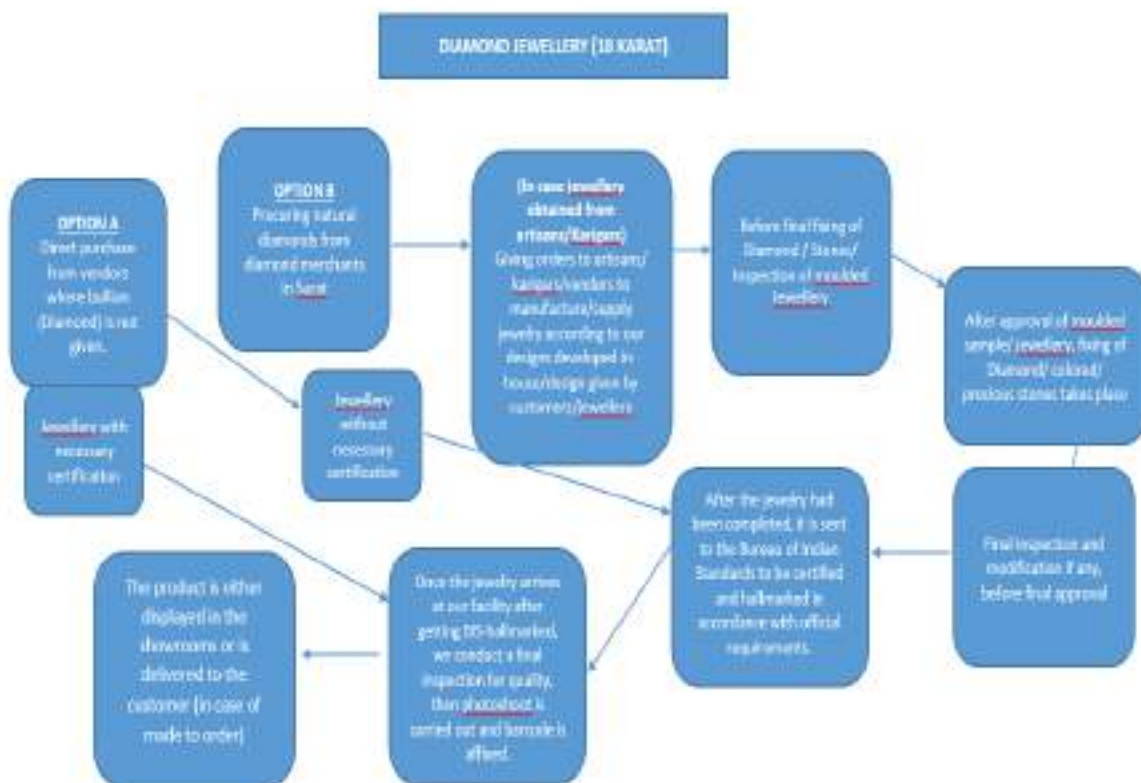
1. **Conduct Copyright Audits and Searches:**  
The company conducts audits and searches of existing copyrighted designs, trademarks, and intellectual property to ensure no infringement occurs.
2. **Educate Design Teams:**  
Regularly training the designers on the importance of respecting copyright, patent, and trademark laws. Ensure they understand how to distinguish between original creations and works that may already be protected.
3. **Promoting Awareness of IP Rights:**  
The company encourages designers to create unique, original designs while being mindful of existing IP rights.
4. **Stay Updated on IP Developments:**  
Awareness of updates or new design registrations in the jewellery industry to ensure the company's designs are not similar to newly registered designs that may have copyright or patent protection.

However, there can be a risk that the Company may inadvertently develop a design already registered by a Third Party. For further details kindly refer Risk Factor No. 23 on page 35 of the RHP.

## Order-to-Delivery Process Flowchart Process for Gold Jewellery (22 Karat)



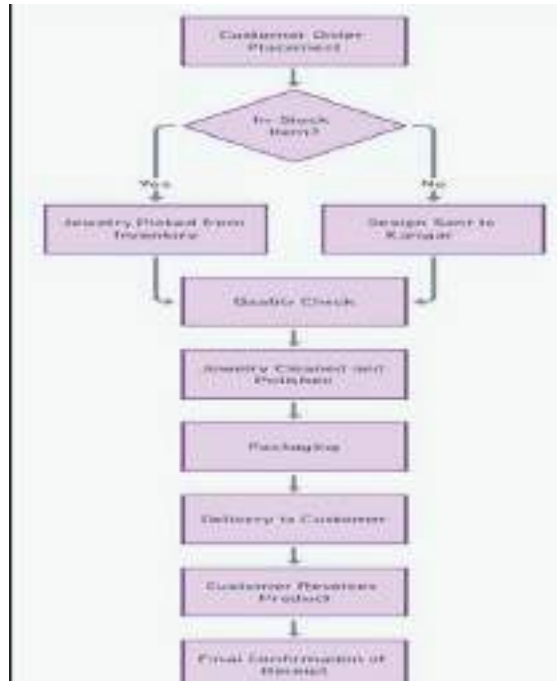
## Order-to-Delivery Process Flowchart for Diamond Jewellery (18 Karat)



NOTE:

The vendor/Karigar either uses their own gold bullion or we supply the bullion to them. They then manufacture the jewellery based on designs we provide, which may be developed in-house or suggested by customers. Once the jewellery is completed, they either issue a sales invoice to us or exchange gold for gold used in the jewellery.

**Jewellery Shop Order-to-Delivery Process Flowchart:**



Here's a more detailed elaboration of each step in the jewellery order process:

**1. Customer Order Placement**

Customer Browses Inventory (In-store or Online): Customers can view the available jewellery pieces physically in the showroom. They can use search by categories like type (rings, necklaces, etc.), material, or price range.

Customer Selects Jewellery Piece or Customizes a Design: Once the customer finds a piece they like, they can either choose it as is or opt for customization. Customization might involve selecting specific gemstones, adjusting sizes, or altering design elements.

Customer Places an Order: The customer proceeds to place the order by providing necessary details, such as their contact information and delivery address.

Payment is initiated: Customers are provided with choice to pay the full amount upfront or pay a partial deposit to secure their order. Various payment methods may be available, including credit/debit cards or cash.

**2. Order Confirmation**

Sales Team Confirms Order Details (Design, Size, personalization): The sales team reviews the order to ensure all details are correct. They may contact the customer for any clarifications or confirmations regarding the chosen design, size, and any personalized elements.

Payment is confirmed (Credit/Debit, Cash): The payment is processed and confirmed. If payment is made online, a verification process occurs to ensure the transaction is secure.

A Receipt or Invoice is generated: Upon successful payment, a digital or printed receipt/invoice is generated and sent to the customer, detailing the order specifics, payment method, and any other relevant information.

Order is moved to Processing: The order status is updated in the system, and it is moved to the processing stage, indicating it is ready for the next steps.

### **3. Order Processing for In-stock Items:**

**Jewellery is picked from Inventory:** The order is fulfilled by locating the selected piece in the inventory. Staff members retrieve the item and prepare it for quality check and packaging.

**For Custom Designs:**

**Design Specification is sent to Karigars:** If the customer opted for a custom piece, the design specifications, including details like measurements, materials, and any specific requests (after detailed discussion with the design team), are forwarded to skilled artisans (karigars) for manufacturing.

### **4. Quality Check**

**Conducted as per Industry Standard:** A thorough quality check is performed to ensure the jewellery meets industry standards. This includes inspecting the craftsmanship, checking for defects, and verifying the authenticity of materials used. Each piece is evaluated to ensure it meets the company's quality benchmarks.

### **5. Packaging**

**Jewellery is Cleaned and Polished:** After passing the quality check, the jewellery is cleaned and polished to enhance its shine and appearance.

**Additional Documents Included (Certificate of Authenticity, Warranty, etc.):** The final package includes essential documents such as a certificate of authenticity for gemstones and metals, warranty information, and care instructions, ensuring the customer understands the value and care for their purchase.

### **6. Delivery to Customer**

**Delivery Completed:** The packaged jewellery is then prepared for delivery. Depending on the customer's choice, it may be delivered to their address or arranged for in-store pickup.

**Customer Receives the Product:** The customer receives the jewellery package, either through delivery or at the store, ensuring they have access to the product they ordered.

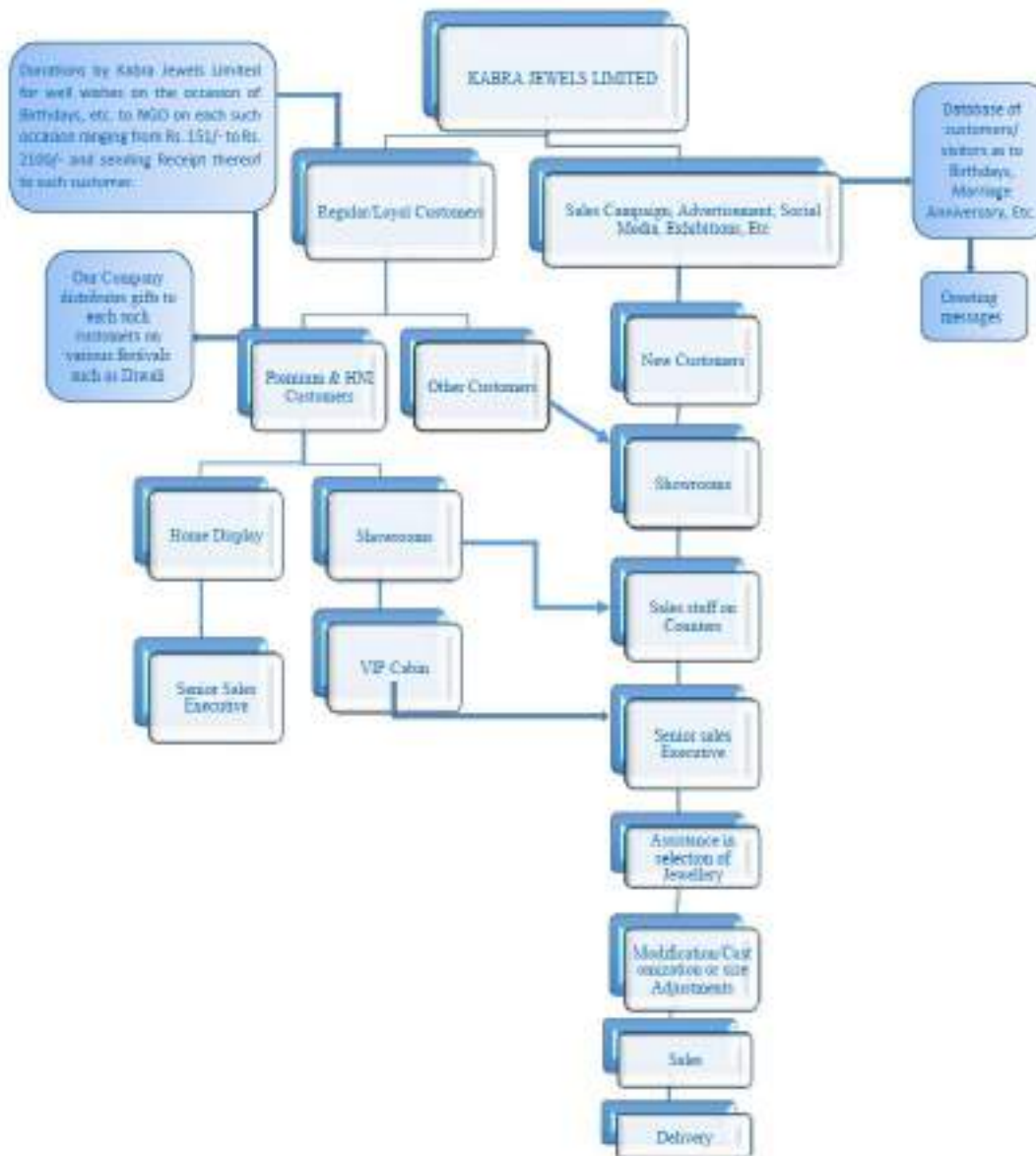
**Final Confirmation of Receipt:** Upon receiving the product, the customer may be asked to confirm receipt by signing a delivery confirmation, completing the transaction process.

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**Our Customer Acquisition process**

**Flowchart of Customer's Acquisition**



In addition to our business endeavours, we are deeply committed to giving back through charitable efforts. We have a database of around 2,000 clients, and on their birthdays, we make a donation to Jivdaya Charitable Trust on their behalf. The donation amounts vary from Rs. 151/- to Rs. 2100/- depending on the client. We then share the donation receipt along with a personalized message with them. Over the past three financial years, this initiative has allowed us to donate Rs. 30.71 lakh to Jivdaya Charitable Trust. This gesture has been warmly appreciated by our clients, as it not only fosters goodwill but also supports a meaningful cause. Please find below the details of donations made during the last three financial year.

Name of the Trust	2023-2024	2022-23	2021-22
Jivdaya Chairtable trust (Amount in Rs.)	11,68,613	11,19,911	7,81,979

## *Our Strengths*

### Established brand

We have proven a track record of a decade. Over the years, we have grown significantly and have established our brand “KK Jewels” in the jewellery market in Ahmedabad. This brand name has helped our company to earn trust and goodwill of our customers. Our well established and recognizable brand and the reputation built by us has and will enable us to increase our customers in the future.

Our strength lies in our own creations and specialty designs according to the latest tastes and preferences of customers. To take our legacy forward, we will continue to innovate and strive for new benchmarks in quality, creativity and design.

- We hallmark all our gold products to ensure quality and purity of products, which is in line with the quality and purity metrics as prescribed by BIS. We have also installed checks to provide assurance to customers for the hallmarked gold jewellery sold by us at all our showrooms and follow stringent and transparent purity checks to ensure quality of our jewellery before being sold to our customers.
- All of our jewellery items are accompanied by a detailed pricing tag disaggregating the various components such as metal weight, stone weight and stone price and making charges to aid transparency to consumers.

### Quality of our products

Given that our inventory is produced by third party vendors (Karigars) who are engaged as job-workers, we have implemented stringent two-stage quality control procedures to ensure standardized quality and purity of the products we sell. Jewellery produced is checked for physical defects, such as structural issues and inconsistencies in polishing and finishing, and is checked for purity with a gold testing machine and hallmarked from third party agencies.

We stringently follow the hallmarking process for all our gold jewellery. We send all our jewellery to government-approved hallmarking centers who perform tests and analyses our jewellery in accordance with BIS norms. Our diamond jewellery and loose diamonds are certified by various agencies. Our commitment to stringent quality control has been critical to our success in the Gujarat jewellery industry and has contributed to customers associating our brand with trust and transparency

### Experienced promoters with established track record of operations

Our company is promoted by Mr. Kailash Kabra and Mrs. Jyothi Kabra, who have been associated with the Gems & Jewellery industry for more than a decade. Mr. Kailash Kabra specializes in managing diverse purchases, ranging from jewellery selections sourced from various vendors to strategic marketing planning and budgeting. Mrs. Jyothi Kabra looks after designing of jewellery, staff management and training. Our Company has an established track record of operations in jewellery retail in Ahmedabad.

### Well established relationship with our artisans

We maintain long term business relationships with our artisans (Karigars) and manufacturers with whom we have a mutual understanding. This long-standing partnerships with them has ensured us timely delivery of our products, and superior finishing of our jewellery. This has been beneficial for us as we are able to successfully execute our orders on time and develop strong relationships with our suppliers and customers. Further, there are no conflict of interest between the artisans, third-party service providers etc. (crucial for operations of the company) and the Company, Promoter, Promoter Group, Key Managerial Personnel and Directors.

### Design and Innovation in our product range

We have an extensive range of jewellery products in gold, diamond and platinum studded with precious and semi-precious stones such as rings, earrings, pendants, nose rings, bracelets, chains, necklaces, bangles and also make customized jewellery for weddings. Our company is dealing in gold jewellery consisting of normal & antique gold jewellery, gold jadtar jewellery, gold polki jewellery, gold kundan meena jewellery, real diamond jewellery, loose diamonds, solitaires and solitaire jewellery, silver jewellery, silver and allied metal utensils and silver articles. Our wide range of product offerings caters to diverse customer segments, from the high-end to mid-market and value market segments and also, cater to different occasions including special occasions, such as weddings and party-wear, jewellery for personal milestones, fashion jewellery, festival jewellery, daily-wear jewellery, kid’s jewellery and men’s jewellery. We cater to customers across age groups, at various price points, which ensure that we are able to serve our customers across the entire lifecycle of their jewellery requirements. Our product profile includes traditional, contemporary and combination designs across jewellery lines, usages and price points. Based on our research, knowledge and expertise, we believe that we have been able to create a unique and diversified range of designs and product range to cater to all age and genre of customers keeping in mind the

taste and preference of different regions. Our team of jewellery experts and our long-trusted relationships with our job workers and artisans have allowed us to create a diversified and a wide range of varied and unique designs of different weightage to cater to large variety of customers.

Experienced management team and a motivated & efficient work force:

Our Company is managed by a team of experienced personnel having experience in different aspects of jewellery industry. We believe that our qualified and experienced management has substantially contributed to the growth of our business operations. The faith of the management in the staff and their dedicated performance has enabled us to build up business capabilities. We believe that the experience of our senior management team has resulted into improved product quality and increased profitability which give us a competitive edge.

### ***Our Business Strategies***

#### **Innovation in Designing**

We will continue to add new design to our existing product portfolio to cater to various customer and price segments in the jewellery markets. We endeavour to maintain the quality of our products, and follow strict procedures to ensure quality control, timely delivery and competitive prices. The company intends to strengthen its product development effort by leveraging skills of its employees and focusing on changing trends in the designs of jewellery and customers demand, which will help to increase the sales of the Company and retain customers.

#### **Deepen and penetrate our existing customer relationships**

Customers are the integral part for our business to prosper, we believe in maintaining robust relationship with customers and continuously strive to enhance customer relationship, being a critical factor in jewellery business to keep growing. Through regular interactions with the Customers at our showrooms, product sales trends and market research, we are able to determine current trends in the industry, which are used by us in the product development. We are committed to ensuring that our customers receive only the best quality jewellery. We will continue to focus on timely delivery of quality products which will help in forging strong relationships with our customers and gaining increased business from them. Customer satisfaction is our top priority, and we strive to ensure that our customers have an exceptional shopping experience with us.

#### **Strengthen our Inventory Management practices**

Strong and effective inventory management practices are core to successful business operation. The right mix and quantum of inventory in our showrooms is key to augmenting our sales and profitability. Our strategy is to constantly review and replenish our inventory catalogue and keep churning them with new products to ensure that the choice of a fresh design and product is always available to the customer to avoid monotony. This strategy of regular review and replenishment allows us to have a wide range of choices for our customers that may be new and unique in nature and design, thus creating that interest in the mind of the customer. One of our strategies is to understand the market very closely through our study and research and to bring in the unique and new design to the market before our competitors.

#### **Enhance our product portfolio**

We intend to get more designs manufactured, showcase the same to our customers and generate more orders. We intend to achieve the same by introducing a wider range of jewellery based on different parameters such as weight, diverse cultural and regional preferences. Our design team shall continue to work with artisans to not only increase the output but also to maintain quality, uniqueness and quantum of designs. We intend to augment the strength of our product offering by carrying out in-depth research and development in the field of design uniqueness and aesthetic appeal. We believe that through this strategy we will be able to generate and fulfil our customers' increased demands.

#### **Continue to invest in our marketing and brand building initiatives**

We regularly participate in national, regional and local jewellery exhibitions. We will continue to pursue this and also increase our participation in other prominent exhibitions to showcase new collections / designs and increase brand awareness which is our major source of generating business enquiries and orders.

We intend to continue investing in our marketing initiatives and brand building exercise, including advertising through various media. Going forward, our strategy is to increasingly market our products to our millennial customers through digital media, social media platforms such as instagram. By creating visually stunning content and building a strong following on these platforms, we can increase brand awareness and generate interest in our products. We intend to extend our customer reach, capture market share and increase our sales through the digital

mode with relatively lower investment which will increase our revenues. Our digital presence would boost our brand visibility and enhance our online exposure.

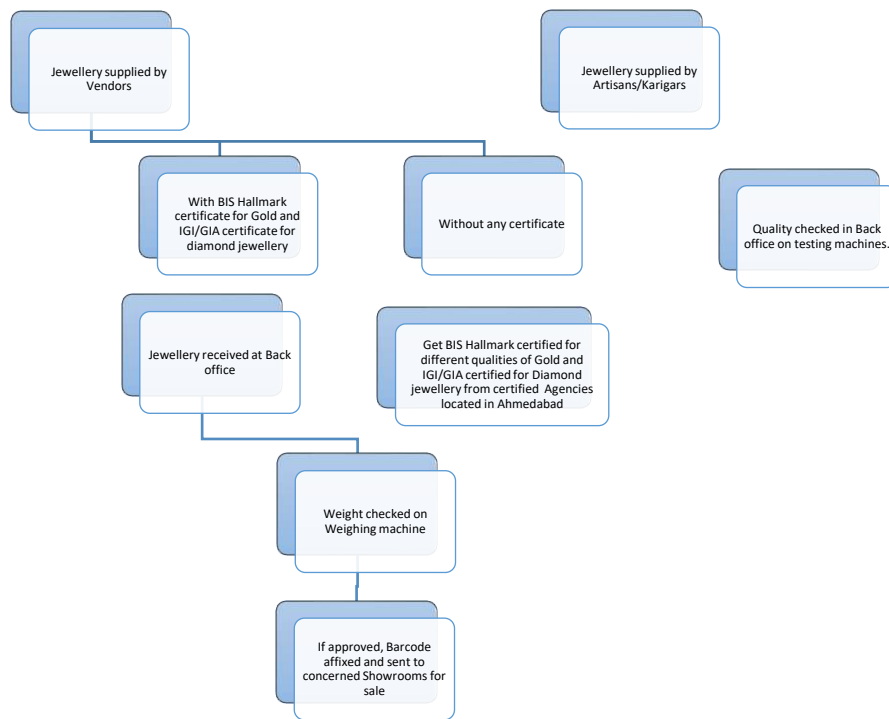
**Enhancing Operating Effectiveness and Efficiency**

Our Company aims to continue to improve our operational effectiveness and efficiencies to achieve cost reductions including overheads. We believe that this can be done through continuous business process review, improved inventory management and timely corrective measures in case of diversion and technology upgradation.

**Quality Check**

Quality is one of the most important aspects in our business. As our products are manufactured by our vendors or third-party job workers, it is imperative that we implement quality check and control processes at each level of manufacturing and sales to ensure that the products we sell are of the best quality and in line with the required standards as prescribed by the regulatory authorities. After the hallmark process is completed by the recognised hallmarking agencies in accordance with the prescribed BIS norms, we also process the same through our internal quality control checks to ensure authentication. If a product does not match the prescribed quality standard, the same will be returned to the job worker/vendor for necessary alterations to ensure that it meets the due quality standards. We believe our commitment to stringent quality control has been critical to our success in the jewellery industry and has contributed to customers associating our brand with trust, transparency and high quality of products.

**Quality Check process for Gold/Diamond Jewellery**



There have been no such instances or failure over the past three financial years where the gold and diamond jewellery articles failed to pass the quality checks.

If the Company possesses jewelry without a Hallmark or Certification, it is sent to the appropriate authorities for Hallmarking. For diamond jewelry, the Company sends the items to the International Gemological Institute for Certification

**Marketing & Distribution Strategy**

Our company, engaged in the manufacturing and trading of gold, diamond, and silver jewellery, has developed a comprehensive marketing and distribution strategy designed to enhance brand visibility, drive sales, and ensure

efficient product delivery to our customers. Our strategy focuses on leveraging both traditional and modern channels to maximize reach and engagement with our target audience. Our primary strategy is word-of-mouth and social media marketing. We have a strong digital media marketing strategy and have our website, Facebook page and Instagram profile. We maintain a very active Instagram profile under the name “KK Jewels”, having approximately 24.2K followers. Annually, we conduct 3 to 4 photoshoots with leading fashion celebrities. We also collaborate with fashion stylists to showcase our jewellery. We collaborate with fashion stylists and celebrities and partner with various PR agencies to facilitate photoshoots and showcase our jewellery. Notable celebrities have featured our brand by wearing our latest jewellery designs. These collaborations help us reach a broader audience, as the celebrities and their stylists often tag our page, “KK Jewels”. By engaging such social media strategies, we successfully reach our target audience.

### ***Marketing Strategy***

- **Brand Positioning and Awareness**  
Premium Branding: We position our brand as a symbol of luxury and elegance, emphasizing the craftsmanship and quality of our gold, diamond, and silver products.  
Advertising Campaigns: We launch targeted advertising campaigns across various media platforms, including print, digital, and broadcast, to build brand recognition and attract potential customers.  
Social Media Presence: We utilize social media platforms to showcase our collections, engage with customers, and build a community of brand advocates.  
Influencer Collaborations: We partner with influencers and celebrities to endorse our products and reach a broader audience through their followers.
- **Customer Engagement and Retention**  
Personalized Marketing: We use data analytics to understand customer preferences and tailor marketing messages and offers to individual customers.  
Content Marketing: We create high-quality content such as, videos, on jewellery care, styling tips, and the stories behind our pieces to educate and engage our audience.
- **Sales Promotions and Events**  
Seasonal Promotions: We offer special promotions during key seasons and festivals, such as Diwali, Dhanteras, and wedding seasons, to boost sales.  
Exclusive Events: We organize Pagla ceremony, and private viewing sessions to provide a personalized shopping experience and create buzz around new collections.  
Trade Shows and Exhibitions: We participate in national and international jewellery trade shows and exhibitions to showcase our products to a wider audience and establish industry connections.

### ***Distribution Strategy***

#### **Retail Outlets**

Flagship Stores: We have established flagship stores in Ahmedabad to serve as the primary retail touchpoints, offering a comprehensive range of our products and providing a luxurious shopping experience to our customers.  
In-Store Experience: We focus on creating an exceptional in-store experience with knowledgeable staff, elegant displays, and personalized customer service.

Our marketing and distribution strategy is designed to enhance brand equity, drive sales, and ensure our products reach customers efficiently. By leveraging a mix of traditional and digital marketing techniques, providing an exceptional retail experience, and expanding our distribution network, we aim to position our company as a leading name in the gold, diamond, and silver jewellery industry.

The company has also adopted the following strategy: -

- Continuous focus on new designs, trends in the designs, and accordingly developing the jewellery in showroom and sending photographs of such jewellery to the potential customers.
- Direct marketing by advertisement in newspapers.
- Opening of dedicated showrooms as per the needs of customers.
- Participating in various exhibitions across India and thereby increasing customers across India.
- We engage in Digital Marketing through various social media platforms helping us to stay in constant touch with our customers.
- Regularly organising staff training programme.

### ***Collaborations/ Tie – ups/ Joint Ventures***

As on date of this Red Herring Prospectus, our Company does not have any Collaborations/Tie-ups/Joint Ventures.

### ***Capacity and Capacity Utilisation***

We engage various vendors and job workers for manufacturing our jewellery products. Thus, installed capacity or capacity utilization cannot be determined.

### ***Information Technology Infrastructure***

Maintaining the safety of a jewelry showroom is essential for protecting valuable items and ensuring a secure environment for staff and customers. Key security measures include access control systems, CCTV surveillance, secure display cases, and safe storage for high-value items. Inventory management is facilitated by unique item identifiers and barcode tracking. The Company uses Ornat software for accounting and inventory management, equipped with firewall and antivirus protection, and OrangeHRM software to manage payroll and HR details, ensuring secure data handling and operational efficiency. The data maintained through this softwares are owned by the Company.

### ***Plant and Machinery & Technology***

Since our business focuses on retailing jewellery through a showroom, we don't own any significant plant or machinery. We own computers and laptops used for our business.

### ***Export Obligation***

Our Company does not have any export obligation as on date of this Red Herring Prospectus.

### **Raw Material**

Type of Raw Materials used by the Issuer Company is as follows:

1. Gold Bars
2. Loose Diamonds, Polished Diamonds and Solitaires
3. Loose semi-precious and precious stones.

The breakup of purchase is as follows:

(Rs. In Lakhs)

<b>Sr No.</b>	<b>Particulars</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>For the period ended November 30, 2024</b>
	<b><u>Raw Material</u></b>				
1	Bullion	1,346.60	691.11	1,483.48	1906.28
2	Diamond Jewellery	239.92	254.84	188.20	146.87
3	Loose Diamonds	863.64	1,359.62	1,122.11	504.52
4	<b><u>Under Business Model 1</u></b> Jewellery (General Items)	541.81	669.11	742.66	685.36
5	<b><u>Under Business Model 1</u></b> Silver (Incl. Articles, Utensils and Coins)	6.72	1,195.27	1,799.10	1342.73
6	<b><u>Under Business Model 2</u></b> Customised Jewellery (As per Design)				
	- From Vendors*	5,831.72	7,933.16	7,709.51	6713.99
	- From Artisans/Karigar*	1,370.26	1,848.85	2,019.08	1397.18
	<b>TOTAL</b>	<b>10,200.67</b>	<b>13,951.97</b>	<b>15,064.14</b>	<b>12696.93</b>

\*The above job worker is given gold etc to make jewellery as per design provided by the company. However, when the company issues such gold etc., the invoice is raised on the above referred job worker so that inventory and GST records are maintained as per physical inventory lying in the company. When the above referred job worker, gives finished jewellery (as per the design provided to him), he raises invoice for full value of the jewellery to us which is accounted as purchase of jewellery by the company.

Similar practice is also done for vendors under model 2, if gold is given in advance, otherwise the vendor raises full value of jewellery (as per terms decided at the time of giving design to him) while delivering jewellery which is accounted as purchase of jewellery by the company.

The breakup of inventory is as follows:

*(Rs. In Lakhs)*

Sr. No.	Name of the Product	31/03/2022	31/03/2023	31/03/2024
1	<b>Raw Material</b>			
	Gold Bars	257.69	78.22	401.25
	Diamond and Solitaires	134.02	106.93	166.72
	Loose Stones	2.98	2.86	2.10
	<b>Total (A)</b>	<b>394.69</b>	<b>188.01</b>	<b>570.07</b>
2	<b>Customized Jewellery - Manufactured (Business Model 2)</b>			
	Gold Jewellery	2,184.15	3,848.04	4,983.25
	Diamond Jewellery	1,020.14	1,783.56	1,853.68
	Platinum and Mix Jewellery	38.61	98.43	109.76
	<b>Total (B)</b>	<b>3,242.90</b>	<b>5,730.03</b>	<b>6,946.69</b>
3	<b>Traded Goods (Business Model 1)</b>			
	Gold Jewellery	1,102.33	1677.13	2,082.85
	Diamond Jewellery	514.86	777.35	774.78
	Silver articles	23.08	877.23	1,110.05
	Platinum and Mix Jewellery	9.31	31.97	38.31
	<b>Total (C)</b>	<b>1,649.58</b>	<b>3,363.68</b>	<b>4,005.98</b>
	<b>Total (A) + (B) + (C)</b>	<b>5,287.17</b>	<b>9,281.72</b>	<b>11,522.74</b>

Maintaining the safety of a jewelry showroom is essential for protecting valuable items and ensuring a secure environment for staff and customers. The company has assigned security guards appointed by security agencies for safety and security of the showroom.

Key security measures include access control systems, CCTV surveillance, secure display cases, and safe storage for high-value items. At the end of every day, the inventory at the showroom is shifted to a strong room within the showroom.

Inventory management is facilitated by unique item identifiers and barcode tracking. The Company uses ornate software for accounting and inventory management, equipped with firewall and antivirus protection, ensuring secure data handling and operational efficiency. The data maintained through this software is owned by the Company.

The geographic locations from where such raw materials are procured for the last three financial year and for the period ended November 30, 2024 is as follows:

Sr. No.	Particulars	DETAILS FOR PURCHASE OF RAW MATERIALS								
		F.Y. 21-22			F.Y. 22-23			F.Y. 23-24		
		Location	State	Amount (Rs. In Lacs)	Location	State	Amount (Rs. In Lacs)	Location	State	Amount (Rs. In Lacs)
1	Bullion	Mumbai	Maharashtra	55.83	Ahmedabad	Gujarat	691.11	Mumbai	Maharashtra	69.75

		Ahmedabad	Gujarat	1,279.61	-	-	-	Ahmedabad	Gujarat	1,411.23
		Srinagar	Jammu & Kashmir	11.15	-	-	-	Delhi	Delhi	2.50
<b>Total (A)</b>		-	-	<b>1,346.60</b>	-	-	<b>691.11</b>	-	-	<b>1,483.48</b>
2	Loose Diamond, Solitaires & Stones	Surat	Gujarat	83.68	Surat	Gujarat	264.18	Surat	Gujarat	384.88
		Mumbai	Maharashtra	779.96	Mumbai	Maharashtra	948.14	Mumbai	Maharashtra	737.23
		-	-	-	-	Rajasthan	147.30	-	-	-
<b>Total (B)</b>		-	-	<b>863.64</b>	-	-	<b>1,359.62</b>	-	-	<b>1,122.11</b>
<b>Grand Total (A+B)</b>		-	-	<b>2,210.24</b>	-	-	<b>2,050.73</b>	-	-	<b>2,605.59</b>

		<b>For the Period ended November 30, 2024</b>			
<b>Sr. No.</b>	<b>Particulars</b>	<b>Location</b>	<b>State</b>	<b>Amount (Rs. In Lacs)</b>	
1.	Bullion	Delhi	Delhi	222.38	
		Ahmedabad	Gujarat	1683.90	
		-	-	-	
<b>Total (A)</b>				<b>1906.28</b>	
2.	Loose Diamond, Solitaires & Stones	Surat	Gujarat	95.84	
		Ahmedabad	Gujarat	12.19	
		Mumbai	Maharashtra	396.49	
<b>Total (B)</b>				<b>504.52</b>	
<b>Grand Total (A+B)</b>				<b>2410.80</b>	

### ***Human Resources***

We believe that our employees are key contributors to our business success and its ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our kind of business.

As on November 30, 2024, our Company has employed 121 employees at various levels of the Organization. Department wise bifurcation of the employees is provided below:

<b>Sr. No.</b>	<b>Department</b>	<b>No. of Employees</b>
1.	Accounts and Finance Team	14
2.	HR & Admin	9
3.	Management	5
4.	Manager	7
5.	Sales and Marketing	32
6.	Design Team	4
7.	Inventory Quality Check	3
7.	Purchase Department	8
8.	Office Boys & Delivery Persons	39
<b>Total</b>		<b>121</b>

### ***Competition***

We face competition from both the organized and unorganized sectors of the jewellery retail business. We compete with our competitors on a regional or product line basis. Many of our competitors have substantially large capital base and resources than we do and offer broader range of products. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products. We face competition from listed Companies like DP Abhushan Limited, RBZ Jewellers Limited and Motisons Jewellers Limited.



## Insurance

As on date of this RHP, all our employees are covered by accidental insurance. Further our Company has availed following insurance policies:

Sr. No.	Name of the Insurance Company	Validity period	Policy No.	Sum Insured (₹)	Description of cover under the policy
1	IFFCO - TOKIO General Insurance Company Limited	12/08/2024 to 11/08/2025	48047699	1,61,00,00,000	Stock Insurance and Jewellers Block Protector Policy
2	Zuno General Insurance Limited	01/11/2023 to 31/10/2024	900562981	6,37,200	Vehicle Insurance
3	Zuno General Insurance Limited	21/01/2024 to 20/01/2025	900609600	4,05,000	Vehicle Insurance
4.	ICICI Lombard	01/06/2024 to 30/06/2025	3001/349245142/00/000	30,00,000	Vehicle Insurance
5.	Zuno General Insurance Limited	12/04/2024 to 11/04/2025	900653214.	5,32,665	Vehicle Insurance
6.	TATA AIG General Insurance Company Limited	30/11/2023 to 29/11/2024	6202221427 00 00	6,01,958	Vehicle Insurance
7.	Zuno General Insurance Limited	22/04/2024 to 21/04/2025	900656505	5,32,665	Vehicle Insurance
8.	HDFC ERGO General Insurance Company Limited	02/05/2024 to 01/05/2025	2302 2063 7788 3300 000	19,63,500	Vehicle Insurance
9.	ICICI Lombard	29/06/2024 to 28/06/2025	3001/O/34863214 3/00/000	66,00,000	Vehicle Insurance
10.	LIBERTY General Insurance Limited	04/01/2024 to 03/01/2025	20114002012370 35656 00 000	17,00,000	Vehicle Insurance
11.	HDFC ERGO General Insurance Company Limited	21/03/2024 to 20/03/2025	2302 2053 0946 2800001	45,00,000	Vehicle Insurance

## Our Location

The following table sets forth the location and other details of the owned/leasehold properties of our Company:

- Properties taken on rent by our Company:

Sr. No.	Details of the Agreement	Description of the Property	Usage	Rent in (₹) (On Monthly basis)
1	Leave and License agreement between Kabra Jewels Private Limited and	Shop no. 06, Iskon Centre, Shivranjani Cross Road,	Showroom	Rs. 3,94,498/-

	Kailash Kabra for 9 years commencing from April 01, 2018 to March 30, 2027.	Ahmedabad, Gujarat -380015, India. Area:1561 sq. ft.		
2	The Deed of lease between Viay Hiralal, Kavita Udernani Tulsidas Udernani, Satyanarayan Agarwal HUF, Rajiv Agarwal and Kabra Jewels Private Limited for 9 years commencing from August 01, 2020 to July 31, 2029.	Shop No. 09, Iskon Centre, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat - 380015, India. Area:1280 sq. ft.	Showroom	Rs. 3,00,000/-
3	The Deed of lease between Rajeshwariben Soni, Mukeshbhai Soni and Kabra Jewels Private Limited for 9 years commencing from June 15, 2023 to June 14, 2032.	Shop no. 106, Iskon Centre, Shivranjani Cross Road, Ahmedabad, Gujarat-380015, India. Area: 1390 sq. ft.	Showroom	Rs. 2,16,000/-
4	The Deed of lease between Samay Rajendra Keshwani and Kabra Jewels Private Limited for 6 years commencing from April 01, 2023 to November 11, 2029.	Shop no. 11, Iskon Centre, Shivranjani Cross Road, Ahmedabad, Gujarat- 380015, India Area:1472 sq. ft.	Showroom	Rs. 3,11,000/-
5	The Conducting Agreement between Polyline Properties LLP and Kabra Jewels Private Limited for 9 years commencing from February 01, 2022 to January 31, 2031.	Unit No. 104, "ONE 42", Off Bopal Ambli Road, Opp Ashok Vatika, Bodakdev, Ahmedabad. Gujarat - 380054, India Area:1350 sq. ft.	Showroom	Rs. 1,16,100/-
6	The Deed of Lease between Polyline Properties LLP and Kabra Jewels Private Limited for 9 years commencing from February 01, 2022 to January 31, 2031.	Unit No. 109, One42 Building, Ambali Bopal Road, Ahmedabad, Gujarat -380054, India Area: 980 sq. ft.	Showroom	Rs. 1,51,900/-
7	Leave and License agreement between Shantidevi M. Chhabra and Kabra Jewels Private Limited for 1 year commencing from September 01, 2024 to August 29, 2025.	Office No. 210, Iskon Centre, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat-3800015, India Area: 542.50 sq. ft.	Office	Rs. 27,133/-
8	The Deed of Lease between Polyline Properties LLP and Kabra Jewels Private Limited for 9 years commencing from January 28, 2022 to January 27, 2031.	Unit No. 208, "ONE 42", Off Bopal Ambli Road, Owpp. Ashok Vatika, Bodakdev, Ahmedabad, Gujarat - 380054, India Area: 1303 sq. ft.	Office	Rs. 1,49,845/-
9	Leave and License agreement between Ghanshyambhai Popatlal Patadia, Maltiben Ghanshyambhai Patadia and Kabra Jewels Private Limited for 11 months 29 days commencing from February 01, 2024 to January 29, 2025	Office No. 206, Iskon Centre, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat-3800015, India Area: 2190 sq. ft.	Office	Rs. 94, 810/-

Name of the Related Party	Relationship with the Issuer Company	Detail of Transaction	Whether the transaction is on arm's length basis or not
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Kailash Kabra	Promoter and Managing Director	Executed Leave and License agreement between Kabra Jewels Private Limited and Kailash Kabra for 9 years commencing from April 01, 2018 to March 30, 2027 at a monthly rent of Rs. 3,94,498/-	Yes. The transaction is on Arm's Length Basis.
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2. The Properties owned by the Company:

Sr. No.	Details of the Agreement	Description of the Property	Usage	Consideration in (₹)
1	The Sale Deed dated between Farpoint Properties LLP and Kabra Jewels Private Limited	112, One42 Building, Ambali Bopal Road, Ahmedabad, Gujarat-380054, India.  Area: 2740 sq. ft.	Exhibition Centre	Rs. 5,35,81,663/-

**Intellectual Property**

As on date of this Red Herring Prospectus, we have 2 registered trademark under class 14.

Sr. No	Brand Name/Logo Trademark	Class	Application / registration number	Owner	Authority	Date of Application	Validity	Current Status
1.	Device 	14	Trade Mark No. 5234464	Jyoti Kailash Kabra	Trade Mark registry Intellectual Property India	December 04, 2021	December 04, 2031	Registered
2.	Device 	14	Trade Mark No. 5314765	Kabra Jewels Private Limited	Trade Mark registry Intellectual Property India	February 04, 2022	February 04, 2032	Registered

**Domain Name**

Sr. No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	kkjewels.org	Wild West Domains, LLC	Organization: DBA SoniqDesigns.com State: Colorado Country: USA	January 03, 2021	January 03, 2025

## **KEY INDUSTRY REGULATIONS**

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 233 of this Red Herring Prospectus.*

### **THE COMPANIES ACT**

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### **SEBI REGULATIONS:**

Securities and Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from the SEBI Act, 1992, SCRA 1956, SCRR 1957 and other rules and regulations, listed entities are mainly regulated by SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

## **TAX RELATED REGULATIONS**

### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by October 30 of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

### **Goods and Service Tax Act, 2017**

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the Central and State Governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST.

## **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance

## **State Tax on Profession, Trades, Callings and Employment Rules, 1975**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

## **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

### **Gem and Jewellery Export Promotion Council**

The GoI has designated the Gem and Jewellery Export Promotion Council (“GJEPC”) as the importing and exporting authority in India in keeping with its international obligations under Section IV(b) of the Kimberley Process Certification Scheme (“KPCS”). The GJEPC has been notified as the nodal agency for trade in rough diamonds. The KPCS is a joint government, international diamond and civil society initiative to stem the flow of conflict diamonds, which are rough diamonds used by rebel movements to finance wars against legitimate governments. The KPCS comprises participating governments that represent approximately 99.8% of the world trade in rough diamonds. The KPCS has been implemented in India from January 1, 2003 by the GoI through communication No. 12/13/2000-EP (GJ) dated November 13, 2002. However, under the Special Economic Zones Rules, 2006, the Development Commissioners have been delegated powers to issue Kimberley Process Certificates for units situated in the respective Special Economic Zone (the “SEZ”).

### **Gems and Jewellery Trade Council of India**

The Gems and Jewellery Trade Council of India (“GJITC”) was established with the main aim of boosting the gems and jewellery trade of India. It is a council formed to enhance & boost the jewellery trade of India by resolving various issues of the trade by escalating various to the relevant high authorities. It also indulges itself in disseminating latest information to its jeweller members through a monthly newsletter, various educative & trade motivational events such as seminars, workshops, exhibitions, festivals etc.

### **Reserve Bank of India Circulars regulating Gold Loans**

The RBI has permitted nominated banks to import gold for the purpose of extending gold metal loans to domestic jewellery manufacturers, subject to certain conditions, including that the tenor of gold loans (which can be decided by the nominated banks) does not exceed 180 days from the date of procurement of the gold and the interest charged to the borrowers is linked to international gold rates. Gems and jewellery export oriented units and specified units in Special Economic Zones are permitted to import gold on a loan basis directly or through nominating agencies, subject to specified conditions. The Master Circular of RBI on Loans and Advances – Statutory and Other Restrictions dated July 1, 2015 prohibits domestic jewellery manufacturers from selling the gold borrowed under this scheme to any other party for manufacture of jewellery.

### **Bureau of Indian Standards Act, 2016 (the “BIS Act”)**

BIS Act was notified on March 22, 2016 and came into effect from October 12, 2017. The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. It has broadened BIS's ambit and allows Central Government to make it mandatory for certain notified goods, articles, processes etc. to carry standard mark.

### **Bureau of Indian Standards (Hallmarking) Regulations, 2018 (“BIS Hallmarking Regulations”)**

The BIS Hallmarking Regulations prescribe that all jewellery manufacturers must obtain a certificate of registration from the BIS in order to sell precious metal articles notified under the BIS Act. The certificate of registration shall be granted to a specific premise and will be valid for a period of five years. The Hallmarking of Gold Jewellery and Gold Artefacts Order, 2020, as amended, which came into effect on June 16, 2021, prescribes that gold jewellery and gold artefacts notified to be marked with hallmark in the notification of the Government of India, Ministry of Consumer Affairs, Food and Public Distribution, Department of Consumer Affairs number S.O. 2421(E), dated June 14, 2018, shall be sold only by registered jewellers through certified sales outlets, after fulfilling the terms and conditions of certificate of registration as specified in the BIS Hallmarking Regulations. However, certain precious metal articles are excluded from the above order, including any article meant for export, which conforms to any specification required by the foreign buyer, any article of gold thread and any article with weight less than two grams.

### **BIS Scheme for hallmarking of Gold and Silver Jewellery**

The BIS hallmark is a hallmarking system for gold as well as silver jewellery sold in India certifying the purity of the metal. It certifies that the piece of jewellery conforms to a set of standards laid by the Bureau of Indian Standards, the national standards organization of India. India is the second biggest market for gold and its jewellery. The BIS system of hallmarking of gold jewellery began in April 2000. The standard specifications governing this system are IS 1417 (Grades of Gold and Gold Alloys, Jewellery/Artefacts), IS 1418 (Assaying of Gold in Gold Bullion, Gold alloys and Gold Jewellery/Artefacts), IS 2790 (Guidelines for Manufacture of 23, 22, 21, 20, 19, 18, 17, 16, 14 and 9 carat Gold Alloys), IS 3095 (Gold solders for use in manufacture of jewellery). BIS introduced hallmarking for silver jewellery in December 2005 under IS 2112, the standard specification for 'Hallmarking of Silver Jewellery/Artefacts'.

### **Hallmarking of Gold Jewellery and Gold Artefacts Order, 2020 (“Order”) and Bureau of Indian Standards Act, 2016 and the Bureau of Indian Standards (Hallmarking) Regulations, 2018**

In accordance with the hallmarking of Gold Jewellery and gold artefacts Order, 2020, as amended, no person shall, after March 31, 2023, sell or display or offer to sell any Gold jewellery or Gold Artefacts unless it is hallmarked in accordance with the standards specified in IS 1417:2016, as amended. Any person who contravenes the provisions of this Order is liable to be punished under the provisions of the Bureau of Indian Standards Act, 2016. The Bureau of Indian Standards (Hallmarking) Regulations, 2018 prescribe that all jewellery manufacturers must obtain a certificate of registration from the Bureau of Indian Standards in order to sell precious metal articles notified under the BIS Act. The certificate of registration shall be granted to specific premises and will be valid for a lifetime.

### **The Legal Metrology Act, 2009**

Legal Metrology Act, 2009 was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. This act replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, with effect from March 1, 2011.

### **Legal Metrology (Packaged Commodities) Amendment Rules, 2017 (“Packaged Commodity Rules”)**

The Packaged Commodity Rules have amended the Legal metrology (Packaged Commodities) Rules, 2011, and lays down specific provisions applicable to packages intended for retail sale, whole-sale and for export and import. Pursuant to the packaged Commodity Rules, any pre-packaged commodity sold for use and consumption by the citizens must properly mention several details such as, the description and quantity of ingredients, date of manufacturing, date of expiry (for items prone to expiration), weight, statutory warnings, manufacturer address, contact and some other info like consumer care details, country of origin, etc.

### **Payment and Settlements Systems Act, 2007**

The Payment and Settlement Systems Act 2007, set up by the Reserve Bank of India (RBI), provides for the regulation and supervision of payment systems in India and designates the apex institution (RBI) as the authority for that purpose and all related matters with the objectives of promoting safety and efficiency by monitoring existing and planned systems, assessing them against these objectives and, where necessary, inducing change. By overseeing payment and settlement systems, RBI helps to maintain systemic stability and reduce systemic risk, and to maintain public confidence in payment and settlement systems. The Payment and Settlement Systems Act, 2007 and the Payment and Settlement Systems Regulations, 2008 framed thereunder, provide the necessary statutory backing to the Reserve Bank of India for undertaking the oversight function over the payment and settlement systems in the country.

### **Prevention of Money Laundering Act, 2002**

An Act to prevent money-laundering and to provide for confiscation of property derived from, or involved in, money-laundering and for matters connected therewith or incidental thereto.

Money laundering is the processing of criminal proceeds to disguise its illegal origin. Terrorism, illegal arms sales, financial crimes, smuggling, and the activities of organized crime, including drug trafficking and prostitution rings, generate huge sums. Embezzlement, insider trading, bribery and computer fraud also produce large profits and create an incentive to legitimize the ill-gotten gains through money laundering. When a criminal activity generates substantial profits, the individual or group involved in such activities route the funds to safe heavens by disguising the sources, changing the form, or moving the funds to a place where they are less likely to attract attention.

Most fundamentally, money laundering is inextricably linked to the underlying criminal activity that generates it. In essence, the laundering enables criminal activity to continue. Offence of money-laundering is punishable with rigorous imprisonment for a period of not less than three years but may extend to seven years and with fine up to five lakh rupees

### **Consumer Protection (E-Commerce) Rules, 2020 (the “E-commerce Rules”)**

The E-Commerce Rules regulate the marketing, sale and purchase of goods and services over a digital or electronic network. It restricts the use of any unfair trade practice by e-commerce entities and mandates the establishment of an adequate grievance redressal mechanism and the appointment of a grievance officer. Further, the E-Commerce Rules required all e-commerce entities to appoint a nodal person of contact or an alternate senior designated functionary to ensure compliance with its provisions. Contravention of the E-Commerce Rules will attract penal action in accordance with the Consumer Protection Act, 2019.

### **Draft National E-Commerce Policy 2019**

Draft National E-Commerce Policy Prepared by Government of India addresses six broad areas of the e-commerce ecosystem viz. data, infrastructure development, e-commerce marketplaces, regulatory issues, stimulating domestic digital economy and export promotion through ecommerce. The Policy takes into account interests of all stakeholders including investors, manufacturers, MSMEs, traders, retailers, startups and consumers. The National E-Commerce Policy has been formulated with a vision to provide a level-playing field to all stakeholders, including the individual consumers and MSMEs and start-ups.

### **Consumer Protection Act, 2019 (the “Consumer Protection Act”) and the rules made thereunder**

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” under the Consumer Protection Act also includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

Section 94 of the Consumer Protection Act, 2019 deals with measures to prevent unfair trade practices in e-commerce, direct selling, etc. it states that for the purposes of preventing unfair trade practices in e-commerce, direct selling and also to protect the interest and rights of consumers, the Central Government may take such measures in the prescribed manner.

### **Digital Personal Data Protection Act, 2023**

The Digital Personal Data Protection Act, 2023 was given the assent of the President on August 11, 2023 and shall come into force on the date of its notification in the Official Gazette. The Act provides for protection of personal data of individuals, and establishes a Data Protection Authority for the same. Data Protection refers to the set of privacy laws, policies and procedures that aim to minimise intrusion into one's privacy caused by the collection, storage and dissemination of personal data. Personal data generally refers to the information or data which relate to a person who can be identified from that information or data whether collected by any Government or any private organization or an agency.

## **ENVIRONMENT LAWS**

### **Environmental Legislations**

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”), Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”), aim to prevent, control and abate pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board. The Water Act aims to prevent and control water pollution and to maintain or restore water purity and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution control board. The Forest (Conservation) Act, 1980 (“FCA”) read with Forest (Conservation) Rules, 2003 aim to preserve forest land and provide for restriction on the deforestation of forests or use of forest land for non-forest purpose and requires prior approval for use of forest land for any non-forest purpose. The Environment (Protection) Act, 1986 read with Environment (Protection) Rules, 1986 aim to protect and improve the environment and provide rules for prevention, control and abatement of environment pollution and impose obligation for proper handling, storage, treatment, transportation and disposal of hazardous wastes.,

### **Environment Impact Assessment Notification of 2006**

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

## **REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT**

### **The Foreign Direct Investment**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until an updated circular is issued.

The reporting requirements for any investment in India by a person resident outside India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form



(SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations

### **Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder.**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIF and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 for regulation on exports of goods and services.

### **Ownership restrictions of FIIs**

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

### **Laws related to Overseas Investment by Indian Entities:**

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in supression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI have vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

### **Foreign Trade (Development and Regulation) Act, 1992 (“FTDRA 1992”)**

The FTDRA 1992 seeks to develop and regulate foreign trade by facilitating imports into and augmenting exports from India. The FTDRA 1992 prohibits a person or company from making any exports or imports unless such a person or company has been granted an importer-exporter code number.

### **Foreign Trade Policy 2023:**

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) FT (D&R) Act, as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023 and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services.

## **LAWS RELATED TO EMPLOYMENT OF MANPOWER**

### **The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948,

the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### **The Code on Social Security, 2020**

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

### **The Industrial Relations Code, 2020 (“Industrial Code”)**

The Ministry of Law and Justice, with an intent to consolidate and amend laws relating to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial dispute, has introduced the Industrial Code. The Code provides that the Central Government may repeal the provisions of the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947 and may supersede them with the applicability of any provision of the Industrial Code. The Industrial Code is a central legislation and extends to the whole of India. The Industrial Code empowers the Central Government to require an establishment in which one hundred or more workers are employed or have been employed on any day in the preceding twelve months to constitute a works committee consisting of representatives of employer and workers engaged in the establishment. The code further requires every establishment with twenty or more workers to have grievance redressal committees for resolution of disputes arising out of individual grievances. The code bars the jurisdiction of civil courts to any matter to which the provisions of the Industrial Code apply, and provides for establishment of industrial tribunals for adjudication of such matters. The Industrial Code provides for provisions pertaining to lay-off and retrenchment of employees and closure of establishments and compensation provisions in relation thereto. The Industrial Code provides for monetary fines, penalties and imprisonment in case of contravention of the provisions of the code.

### **Employees Provident Fund and Miscellaneous Provisions Act, 1952**

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **Employees State Insurance Act, 1948, as amended (the “ESIC Act”)**

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **Employees Deposit Linked Insurance Scheme (EDLI)**

The Employees Deposit Linked Insurance Scheme or EDLI is an insurance cover provided by the EPFO (Employees Provident Fund Organisation) for private sector salaried employees who are members of

EPFO. The EDLI scheme was launched in 1976. The registered nominee receives a lump-sum payment in the event of the death of the person insured (employee) during the period of the service

### **Payment of Gratuity Act, 1972, as amended (the “Gratuity Act”)**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 (“MWA Rules”)
- Industrial (Development and Regulation) Act, 1951 (“IDRA”)
- Industrial Disputes Act, 1947 (“ID Act”)
- Payment of Bonus Act, 1965 (“POB Act”)
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)
- Equal Remuneration Act, 1976 (“ER Act”)
- Contract Labour Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 (“WCA”)
- Maternity Benefit Act, 1961 (“Maternity Act”)
- Industrial Employment Standing Orders Act, 1946
- Apprentices Act, 1961

## **LAWS RELATING TO INTELLECTUAL PROPERTY**

### **Copyright Act, 1957 (“Copyright Act”)**

Artistic works and various rights including ownership and economic rights are conferred on the author and are protected under Copyright Act, 1957. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire.

### **Trademarks Act, 1999**

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

## **OTHER GENERAL RULES AND REGULATIONS**

### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry

specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### **State Laws**

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

### **Municipality Laws**

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### **Other regulations:**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

### **PROPERTY RELATED LAWS**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

## **HISTORY AND CERTAIN CORPORATE MATTERS**

### **Brief history of our Company**

Our company was originally incorporated and registered as a private limited company under Companies Act, 1956 in the name and style of Kabra & Malpani Jewels Private Limited vide certificate of incorporation dated July 21, 2010 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a resolution of our Board dated May 10, 2012 and a resolution of our shareholders dated June 07, 2012, the name of our company was changed to 'Kabra Jewels Private Limited' and a fresh certificate of incorporation dated June 28, 2012 was issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a resolution of our Board dated April 15, 2024 and a resolution of our shareholders dated May 11, 2024, our Company was converted into a public limited company under the Companies Act, and consequently the name of our company was changed to 'Kabra Jewels Limited', and a fresh certificate of incorporation dated August 05, 2024 issued by Registrar of Companies, Central Processing Centre.

### **Changes in our Registered Office**

The following table sets forth details of the change in the registered office of our Company since the date of its incorporation:

<b>Date of Change</b>	<b>Details of change in address of registered office</b>	<b>Reason</b>
October 26, 2017	The Registered Office of the Company was shifted from shop no. 16, National Plaza Opp. Lal Bunglow, C.G. Road, Ahmedabad – 380006 Gujarat, India to shop no. 6, Ground Floor, Iscon Center, Besides Tanishq, Shivranjani Cross Road, Satellite Ahmedabad - 380015, Gujarat, India.	For Administrative Convenience.

### **Main objects of Memorandum of Association:**

The main objects of our company as contained in our Clause III (A) of Memorandum of Association of our company are as follows:

To carry on business as, buyers, seller, importers, exporters, distributors, manufacturers, representatives, traders, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in all kinds including gold, silver and platinum; precious and semi-precious and imitations stones of all kind including diamonds, pearls and gems, ornaments, articles and jewellerys made of or containing gold, silver, platinum or any other precious and semi-precious metals, diamonds, pearls, gems or other precious, semi-precious or imitation stones whether or not worked or sewn into wearing apparels and whether or not set in any furniture, utensil or other article and to cut, polish, process, carve, shape, manufacture all or any of the above whether or not owned by the Company with all and every kind of techniques, know-how, methods, machines, tools, appliances with or without any kind of motive power.

The main objects clause and matters necessary for furtherance of the main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out.

### **Amendments to our Memorandum of Association**

The following table set forth details of the amendments to our Memorandum of Association, in the last ten years preceding the date of this Red Herring Prospectus.:

<b>Date of change/ shareholders' resolution</b>	<b>Nature of Amendment</b>
May 11, 2024	Clause I of the Memorandum of Association of Company was amended to reflect the change in our name from 'Kabra Jewels Private Limited' to 'Kabra Jewels Limited' pursuant to the conversion of our Company from a private limited company to a public limited company.

<b>Date of change/ shareholders' resolution</b>	<b>Nature of Amendment</b>
August 06, 2024	Clause V of the Memorandum of Association of the Company was amended to reflect the increase in authorised share capital from existing Rs. 1,00,00,000 (Rupees One Crore Only) divided into 10,00,000 (Ten lakh) Equity Shares of Rs. 10 each to Rs. 11,00,00,000/- (Rupees Eleven Crores Only) divided into 1,10,00,000 (One Crore Ten lakh) Equity Shares of Rs. 10 each.

### Major events and milestones in the history of our Company

The table below sets forth some of the major events in the history of our Company:

<b>Calendar Year</b>	<b>Events</b>
2010	Incorporation of our company under the name Kabra and Malpani Jewels Private Limited, Commencement of Business by dealing in the only solitaire diamonds category.
2016	Inauguration of Chandi Mahal showroom whose sole proprietor was Kailash Kabra for catering customers in Silver items and Silver articles segment.
2017	Inauguration of Shivranjani Bridal Showroom for catering customers in antique gold jewellery/ gold jadtar jewellery/ gold polki jewellery and gold kundan meena jewellery.
2021	Inauguration of KK Diamond Showroom for catering customers in real diamond jewellery/ loose diamonds, solitaires and solitaire jewellery.
2022	Expansion by inauguration of a showroom in Gandhidham for antique gold jewellery and kundan meena jewellery. Inauguration of Atarshi Minimalistic Showroom for catering customers in 153olka and real diamond light jewellery. Inauguration of Silver Studio Showroom for catering customers in silver jewellery and utensils and articles.

### Awards, accreditations and recognitions received by our Company.

The table below sets forth some of the awards and accreditations received by our Company:

<b>Calendar Year</b>	<b>Details</b>
2023	Received the award for "Prominent Jeweller - 2023 With Finest & Largest Bridal Jewellery Collection" by Divya Bhaskar Group
2022	Received the award for "Best Ambience Store in India" (Runners up), an initiative by Indian Jeweller Magazine
2022	Received the award for "The Best Bridal Jewellery in Gujarat – 2022" by Divya Bhaskar Group
2022	Received the award for "Best Antique Gold Bangle" by Retail Jeweller India Awards 2022
2021	Received the "Best Ambience" award, an initiative by Indian Jeweller Magazine Store
2021	Received the award for "Best Business Practices" by Gem & Jewellery Trade Council of India
2020	Received the award for "Best Single Store (West)" At National Jewellery Awards 2020 – Mumbai
2019	Received the award for "Accessory Jewellery of The Year" by Jaipur Jewellery Show and Jewellers Choice Design Awards
2019	Received the award for "Best Bridal Jewellery – 2019" by Divya Bhaskar Group
2018	Received the "India's Coolest Store" award, an initiative by Indian Jeweller Magazine
2018	Received the "Times Men of the Year" award, an initiative by the Times Group
2018	Received the "India's Most Preferred Jewellers" award, a UBM Initiative
2008	Received the "The Rising Entrepreneur – 2008, Gujarat" award by the then Hon'ble Prime Minister of India Mr. Narendra Modi

### Time/cost overrun

We have not experienced any time or cost overrun in setting up of our projects as on the date of this Red Herring Prospectus.

### **Defaults or rescheduling/restructuring of borrowings with financial institutions/ banks**

There are no defaults or rescheduling/restructuring of borrowings availed by our Company from financial institutions or banks or conversion of loans into equity in relation to our Company.

### **Significant financial or strategic partnerships**

Our Company does not have any significant financial and strategic partners as on the date of this Red Herring Prospectus

### **Details of launch of key products or services, entry in new geographies or exit from existing markets, capacity/facility creation or location of plants**

For details pertaining to launch of key products or services, entry in new geographies or exit from existing markets, capacity/ facility creation, location of our manufacturing facilities, see '*Our Business*' on page 109.

### **Details regarding material acquisition or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last ten (10) years.**

Our Company has not made any material acquisitions or divestments of any business or undertakings, and has not undertaken any mergers, amalgamations or revaluation of assets in the last ten (10) years preceding the date of this Red Herring Prospectus.

### **Corporate profile of our Company**

For details in relation to our corporate profile including details of our business, profile, activities, services, market, growth, competition, technology, and managerial competence, see '*Our Business*', '*Our Management*', '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' and '*Risk Factors*' on pages 109, 156, 213 and 26 respectively.

### **Our Holding Company**

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

### **Our Subsidiary, Associate or Joint ventures of our Company**

As on the date of this Red Herring Prospectus, our Company does not have any subsidiary, Associate or Joint Ventures.

### **Summary of key agreements**

#### **Details of Shareholders Agreements and Other Material Agreements**

As on the date of this Red Herring Prospectus, our Company does not have any subsisting shareholders' agreements and other material agreements.

#### **Agreements with our Key Managerial Personnel or Senior Management, Director, Promoter or any other employee.**

None of our Key Managerial Personnel or members of the Senior Management, Director, Promoters, or any other employee have entered into any agreement with the any shareholder or any third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

There are no special rights available to the Promoters and/or other Shareholders' vis-à-vis the Company.

#### **Details of guarantees given to third parties by the Promoter.**

Our Promoters have not given any guarantees to the third parties except as mentioned in the chapter of *Statement of Financial Indebtedness* on page 207

We further confirm that there are no other agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the Red Herring Prospectus.



## OUR MANAGEMENT

### Our Board of Directors

In terms of the Companies Act and our Articles of Association, our Company is authorised to have a minimum of three Directors and a maximum of up to fifteen Directors. As on the date of this Red Herring Prospectus, we have 5 (five) Directors on our Board, comprising of 2 (two) Executive Directors, 1 (one) Non-Executive Director and 2 (two) Independent Directors. Out of 5 (five) Directors, we have 3 (three) women Directors on our Board. Our Company is in compliance with the laws prescribed under the SEBI Listing Regulations and the Companies Act in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Red Herring Prospectus:

Name, Designation, Date of Birth, Address, Occupation, Period of Directorship, Current Term, Nationality & DIN	Age (Years)	Other Directorships
<b>Kailash Kabra</b> <b>Designation:</b> Managing Director <b>Date of Birth:</b> May 21, 1985 <b>Address:</b> 10, Aman Villa, near Swagat Green Villa, Hebatpur road, Thaltej, Ahmedabad - 380059, Gujarat, India. <b>Occupation:</b> Business <b>Period of directorship:</b> Since July 21, 2010 <b>Current Term:</b> Five years commencing from April 01, 2024 until March 31, 2029, liable to retire by rotation <b>Nationality:</b> Indian <b>DIN:</b> 03135234	39	<i>Indian Companies</i> Suryalaxmi Developers Limited  <i>Foreign Companies</i> Nil  <i>Limited Liability Partnerships</i> Nil
<b>Jyothi Kailash Kabra</b> <b>Designation:</b> Executive Director <b>Date of Birth:</b> October 30, 1986 <b>Address:</b> 10 Aman Villa, near Swagat Green Villa, Thaltej, Ahmedabad - 380059, Gujarat, India. <b>Occupation:</b> Business <b>Period of directorship:</b> Since May 06, 2012 <b>Current Term:</b> Liable to retire by rotation <b>Nationality:</b> Indian <b>DIN:</b> 05272817	37	<i>Indian Companies</i> Nil  <i>Foreign Companies</i> Nil  <i>Limited Liability Partnerships</i> Nil
<b>Nimesh Puranprakash Phophalia</b> <b>Designation:</b> Non-Executive Non- Independent Director <b>Date of Birth:</b> November 06, 1983 <b>Address:</b> Phophalia Mansion, 3 <sup>rd</sup> Floor, 107, Dadisheth Agiari Lane, Opp Parsi Agiari Kalbadevi Road, Mumbai - 400002, Maharashtra, India <b>Occupation:</b> Business <b>Period of directorship:</b> Since April 01, 2024 <b>Current Term:</b> Liable to retire by rotation <b>Nationality:</b> Indian <b>DIN:</b> 10574019	40	<i>Indian Companies</i> Nil  <i>Foreign Companies</i> Nil  <i>Limited Liability Partnerships</i> Nil
<b>Indira Suresh Vora</b> <b>Designation:</b> Non-Executive Independent Director <b>Date of Birth:</b> February 16, 1976	48	<i>Indian Companies</i> Vikalp Securities Limited JEE Pumps Limited  <i>Foreign Companies</i>

<b>Name, Designation, Date of Birth, Address, Occupation, Period of Directorship, Current Term, Nationality &amp; DIN</b>	<b>Age (Years)</b>	<b>Other Directorships</b>
<b>Address:</b> A-2, Shiv Pujan Duplex, Nr. Shail Ganga Society Chandkheda, Chandkheda Society Area, Mansa Gandhinagar – 382424, Gujarat, India <b>Occupation:</b> Professional <b>Period of directorship:</b> Since April 06, 2024 <b>Current Term:</b> For five years until August 12, 2029. <b>Nationality:</b> Indian <b>DIN:</b> 10581630		Nil <i>Limited Liability Partnerships</i> Nil
<b>Hetal Karshanbhai Vaghela</b> <b>Designation:</b> Non-Executive Independent Director <b>Date of Birth:</b> July 21, 1993 <b>Address:</b> A-1004, Vardan Tower, Naranpura, opposite shanti apartment, Naranpura Vistar, Ahmedabad city, Gujarat-380013, India. <b>Occupation:</b> Professional <b>Period of directorship:</b> Since June 11, 2024 <b>Current Term:</b> For five years until August 12, 2029. <b>Nationality:</b> Indian <b>DIN:</b> 10655242	31	<i>Indian Companies</i> Nil  <i>Foreign Companies</i> Nil  <i>Limited Liability Partnerships</i> Nil

#### **Brief Profile of Directors of our Company:**

**Kailash Kabra** aged 39 years is the Managing Director and Promoter of the Company. He has completed his higher education from St. Xaviers School, Loyola Hall, Ahmedabad. He has been associated with the Issuer Company since its inception in the year 2010. He has 14 years of experience in the Gems and Jewellery industry. He is responsible for managing diverse purchases, ranging from jewellery selections sourced from various vendors to strategic marketing planning and budgeting.

**Jyothi Kailash Kabra** aged 37 years is the Executive Director and Promoter of the Company. She holds a diploma degree in Interior Designing from Jain School of Interior Design, Bangalore. She has been associated with the Issuer Company since the year 2012. She has 12 years of experience in the Gems and Jewellery industry. She is responsible for jewellery selection and design.

**Nimesh Puranprakash Phophalia** aged 40 years is the Non-executive Non-Independent Director of the Company. He holds degree in Bachelors of Commerce from University of Mumbai and a Diploma degree in Graduate Diamonds from Gemological Institute of America. He was associated with the jewellery industry for the past 20 years. He is the sole proprietor of M/s. Vishesh Jewels and is involved in manufacturing, wholesaling and trading of jewellery.

**Indira Suresh Vora** aged 48 years is the Non-executive Independent director of the Company. She is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. She has over 7 (seven) years of professional experience. Prior to her appointment in our company as an independent director she was associated with LIC of India as an Assistant Administrative Officer. She was employed as a Chartered Accountant (MMG Scale-III) in credit department in Corporation Bank. She has also worked with Union Bank of India as a Chief Manager. She was appointed as an Additional Director on the Board of our Company with effect from April 06, 2024 and has been re-appointed by the Shareholders as a Director at the Extra-Ordinary General Meeting held on August 13, 2024.

**Hetal Karshanbhai Vaghela** aged 31 years is the Non-executive Independent director of the company. She is a qualified Company Secretary from the Institute of Company Secretary of India. She has over 3 (three) years of professional experience. Prior to her appointment in our company as an independent director she was associated with Abhishek Integration Limited as Company Secretary and Compliance Officer. She was appointed as an

Additional Director on the Board of our Company with effect from June 11, 2024 and has been re-appointed by the Shareholders at the Extra-Ordinary General Meeting held on August 13, 2024.

### **Confirmations**

None of our Directors were or are directors of listed company, during the preceding five years of this Red Herring Prospectus whose shares have been or were suspended from being traded on any stock exchanges during his / her tenure as a director of such listed company.

None of our Directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange during the term of their directorship in such company.

Further, none of our Directors have been identified as Wilful Defaulters or Fraudulent Borrowers or Fugitive Economic Offender as defined under the SEBI ICDR Regulations.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

We confirm that there is no conflict of interest between the lessor of the immovable properties (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel and Directors.

### **Relationship between our Directors**

**Except as mentioned below, none of the Directors are related to each other:**

<b>Name of Director</b>	<b>Relation with</b>	<b>Relationship</b>
Kailash Kabra	Jyothi Kailash Kabra	Spouse

### **Arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which our Directors were selected as a Director**

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors has been appointed on the Board.

### **Service contract with Directors**

None of our Directors have entered into service contracts with our Company which provide benefits upon termination of employment.

### **Terms of appointment of our Managing Director**

**Kailash Kabra** was appointed as the Managing Director of our Company pursuant to the resolution passed by our Board of directors on April 01, 2024, for a period of five years with effect from April 01, 2024 on the following terms:

1. Salary: Upto Rs. 7 lakhs (Rupees Seven Lakhs) per month with such increments/ increase as maybe decided by the Nomination and Remuneration Committee or the Board of Directors from time to time.
2. Sitting Fees: He shall also be paid sitting fees for attending any meetings of the Board/Committee(s)/General Meeting(s) etc. as per the Articles of Association subject to Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.
3. Perquisites: He shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specifies herein above:
  - (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.

- (ii) Gratuity payable at the rate not exceeding half a month's Salary for each completed year of service.
  - (iii) Earned privilege leave at the rate of one month's leave for every eleven months of service. The Managing Director shall be entitled to en-cash leave at the end of his tenure as Managing Director.
  - (iv) Rent free furnished accommodation.
  - (v) Car with driver for the use of Company's business.
  - (vi) Reimbursement of all medical expenses incurred for self and family at actuals.
  - (vii) Leave travel expenses for self and family in accordance with the policy of the Company.
  - (viii) Reimbursement of expenses on actuals pertaining to electricity, gas, water and telephone.
4. Minimum Remuneration: where in any financial year during the currency of his tenure as Managing Director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Managing Director, the above Salary and perquisites excluding commission not exceeding the ceiling limits prescribed in Schedule V of the Companies Act, 2013 as Minimum Remuneration, if applicable.
5. Other Terms:
- (i) The Company shall reimburse to the Managing Director all the actual expenses incurred wholly, necessarily and exclusively for and on behalf of the Company and/ or incurred in performance of the duties of the Company.
  - (ii) Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay the above remuneration as minimum remuneration to the Managing Director. However, in any case the remuneration would not exceed the limits prescribed under the applicable provisions of the Act.
  - (iii) Board is entitled to make changes within the overall amount fixed by the members.

#### **Terms of appointment of our Non-Executive Directors and Independent Directors**

Our Board, pursuant to its resolution dated August 09, 2024, has decided that our Non-Executive Director Nimesh Puranprakash Phophalia and Independent Directors Indira Suresh Vora and Hetal Karshanbhai Vaghela are entitled to receive sitting fees of ₹ 5,000 for attending each meeting of our Board and the committees constituted of the Board.

#### **Payment or benefits to Directors of our Company**

The details of payments and benefits made to our Directors by our Company, in financial year 2024 and uptill November 30, 2024 are as follows:

##### *Executive Directors*

S. No.	Name of the Director	Designation	(Rs. In Lacs)	
			Uptill November 30, 2024	2023-2024
1	Kailash Kabra	Managing Director	32.00	48.00
2	Jyothi Kailash Kabra	Executive Director	20.00	30.00

##### *Non-Executive Directors and Independent Directors\**

S. No.	Name of the Director	Designation	2023-24 Amount (Rs. In Lacs)
1	Nimesh Puranprakash Phophalia	Non-Executive Non-Independent Director	Nil
2	Indira Suresh Vora	Non-Executive Independent Director	Nil
3	Hetal Karshanbhai Vaghela	Non-Executive Independent Director	Nil

\* Since the Non-executive director and the Independent directors were appointed after the financial year 2023-24, they were not paid any remuneration for the financial year 2023-24.

#### **Remuneration paid or payable to our Directors from our Subsidiaries**

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

#### **Bonus or profit-sharing plan of the Directors**

None of our Directors are entitled to any bonus or profit-sharing plan of our Company.

### **Contingent or Deferred Compensation to our Directors**

There is no contingent or deferred compensation payable to our Directors which does not form part of their remuneration

### **Shareholding of Directors in our Company**

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold any Equity Shares, as on the date of this Red Herring Prospectus:

<b>Name of Director</b>	<b>No. of Equity Shares held</b>	<b>% of the Pre-Offer paid up share capital</b>
Kailash Kabra	40,00,000	54.35
Jyothi Kailash Kabra	14,40,000	19.57
<b>Total</b>	<b>54,40,000</b>	<b>73.92</b>

### **Interests of our Directors**

All our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company. Our Non-Executive Director or Independent Directors may be deemed to be interested to the extent of sitting fees and commission, if any, payable to them for attending meetings of our Board or Committees thereof as approved by our Board and / or shareholders and reimbursement of expenses payable to them, as approved by our Board. For further details, please see the section entitled “*Terms of Appointment of our Managing Director*” and “*Payment or benefit to Directors of our Company*”.

Further, except as disclosed under ‘*Shareholding of Directors in our Company*’ above, none of our Directors hold any Equity Shares or any other form of securities in our Company. Further, our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them in the Company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company. For details, see “*Restated Financial Statement –Note AB: Related Party Disclosures*” on page 202.

None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company.

None of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

No loans have been availed by the Directors from our Company. Further, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company, except to the extent of related party transactions already disclosed under “*Restated Financial Statement –Note AB: Related Party Disclosures*” on page 202.

There is no material existing or anticipated transaction whereby Directors will receive any portion of the proceeds from the Offer.

As on the date of this Red Herring Prospectus, except for Kailash Kabra and Jyothi Kailash Kabra who are the Promoters of our Company, none of our other Directors are interested in the promotion of our Company. For further details, see “*Our Promoter and Promoter Group*” on page 170.

### **Changes in Board of Directors in Last 3 Years**

Except as mentioned below, there have been no changes in our Directors in the last three years:

Name of the Director	Date of Change	Reason
BhavyaKumar Dineshbhai Turakhia	November 25, 2021	Appointment as an additional Executive Director
Siddharth Karanisingh Sethia	November 25, 2021	Appointment as an additional Executive Director
Rachana Amit Maheshwari	November 25, 2021	Appointment as an additional Executive Director
Rupalbhai Ashokbhai Shah	November 25, 2021	Appointment as an additional Executive Director
BhavyaKumar Dineshbhai Turakhia	May 26, 2022	Cessation as an additional Executive Director due to his pre-occupation.
Siddharth Karanisingh Sethia	May 26, 2022	Cessation as an additional Executive Director due to his pre-occupation.
Rachana Amit Maheshwari	May 26, 2022	Cessation as an additional Executive Director due to his pre-occupation.
Rupalbhai Ashokbhai Shah	May 26, 2022	Cessation as an additional Executive Director due to his pre-occupation.
Nimesh Puranprakash Phophalia	April 01, 2024	Appointment as an additional Non-Executive Non-Independent Director*
Kailash Kabra	April 01, 2024	Appointment as Managing Director
Palak Malviya	April 01, 2024	Appointment as an additional Independent Director
Indira Suresh Vora	April 06, 2024	Appointment as an additional Independent Director *
Ila Sunil Trivedi	May 09, 2024	Appointment as an additional Independent Director
Palak Malviya	May 09, 2024	Cessation as an additional Independent Director
Ila Sunil Trivedi	June 11, 2024	Cessation as an additional Independent Director
Hetal Karshanbhai Vaghela	June 11, 2024	Appointment as an additional Independent Director*

*Regularized pursuant to a resolution passed in the EGM dated August 13, 2024.*

#### **Details of Borrowing Powers of Directors**

In accordance with our Articles of Association and the applicable provisions of the Companies Act, and pursuant to a resolution of our Board dated August 09, 2024 and special resolution passed at the Extra-ordinary General Meeting dated August 13, 2024 our Board is authorized to borrow money by way of term loans, fund based, non-fund-based credit facilities, working capital facilities or any other kind of financial assistance, whether secured or unsecured, granted by banks and financial institutions or otherwise, subject to an overall limit of Rs. 200 crores.

#### **Corporate Governance**

The provisions of the Companies Act, 2013, SEBI LODR Regulations and SEBI ICDR Regulations relating to corporate governance, will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the Stock Exchanges. We are in compliance to the extent applicable with the requirements of the SEBI LODR Regulations, the Companies Act, 2013 and other applicable regulations, in respect of corporate governance in respect of the constitution of the Board and Committees thereof, and formulation and adoption of policies.

As on the date of filing of the Red Herring Prospectus, our Board of Directors consist of 5 directors of which 2 are Independent Directors, and we have three women directors on the Board. The constitution of our Board is in compliance with the Companies Act, 2013 and SEBI LODR Regulations, to the extent applicable.

#### **Committees of our Board**

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute other committees for various functions as may be required.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following committees of our Board:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders Responsibility Committee

**(a) Audit Committee**

Our Company has constituted an Audit Committee (“Audit Committee”), vide Board Resolution dated August 09, 2024 as per the applicable provisions of the Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The current constituted Audit Committee comprises following members:

<b>Name of the Directors</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Hetal Karshanbhai Vaghela	Chairperson	Independent director
Indira Suresh Vora	Member	Independent director
Kailash Kabra	Member	Managing Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

*Terms of Reference of Audit Committee:*

The role of the Audit Committee shall include the following:

- a) Oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
- b) recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i. matters required to be included in the director’s responsibility statement to be included in the board’s report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. significant adjustments made in the financial statements arising out of audit findings;
  - v. compliance with listing and other legal requirements relating to financial statements;
  - vi. disclosure of any related party transactions;
  - vii. modified opinion(s) in the draft audit report;
- e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / Red Herring Prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- g) Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;

- h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- i) Approval or any subsequent modification of transactions of the listed entity with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;
- j) Scrutiny of inter-corporate loans and investments;
- k) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- l) Evaluation of internal financial controls and risk management systems;
- m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- o) Discussion with internal auditors of any significant findings and follow up there on;
- p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- q) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- s) To review the functioning of the whistle blower mechanism;
- t) Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc., of the candidate;
- u) identification of list of key performance indicators and related disclosures in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, for the purpose of the Company's proposed initial public offering;
- v) carrying out any other function as is mentioned in the terms of reference of the audit committee or as required as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or any other applicable law, as and when amended from time to time;
- w) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- x) consider the rationale, cost, benefits and impact of schemes involving merger, demerger, amalgamation etc. of the Company and provide comments to the Company and its shareholders.
- y) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- z) Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.



- aa) Laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature and for the period prescribed under Applicable Law;
- bb) Reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given; and
- cc) To review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- c) Internal audit reports relating to internal control weaknesses;
- d) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- e) Statement of deviations:
  - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing regulations.
  - ii. Annual statement of funds utilized for purposes other than those stated in the offer document/Red Herring Prospectus /notice in terms of Regulation 32(7) of SEBI Listing regulations.
- f) review the financial statements, in particular, the investments made by any unlisted subsidiary; and
- g) such information as may be prescribed under the Companies Act and SEBI Listing Regulations.”

The Audit Committee shall have powers, including the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice;
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- e) such other powers as may be prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

The Audit Committee is required to meet at least four times in a year under Regulation 18(2)(a) of the SEBI Listing Regulations. The quorum for a meeting of the Audit Committee shall be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

#### **(b) Stakeholders Relationship Committee**

Our Company has constituted the Stakeholders Relationship Committee as per the applicable provisions of the Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated August 09, 2024. The constituted Stakeholders Relationship Committee comprises the following:

<b>Name of the Directors</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Nimesh Puranprakash Phophalia	Chairperson	Non-Executive Director
Indira Suresh Vora	Member	Independent Director
Hetal Karshanbhai Vaghela	Member	Independent Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

***Terms of Reference of Stakeholders Relationship Committee:***

The role of the Stakeholders Relationship Committee shall include the following:

- a) resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- b) reviewing of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent of our Company and to recommend measures of overall improvement in the quality of investor service;
- c) review of measures taken for effective exercise of voting rights by shareholders;
- d) review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- e) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities and ensure proper and timely attendance and redressal of investor queries and grievances;
- f) Giving effect to all transfer or transmission of shares or other securities, dematerialization of shares and rematerialisation of shares, split and issue duplicate share or other security(ies) certificate(s) in lieu of original share security(ies) certificate(s) of the Company, compliance with all requirements related to shares and other securities from time to time;
- g) Considering and specifically looking into various aspects of interest of shareholders, debenture holders or holders of any other securities;
- h) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time; and
- i) Carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

**(c) Nomination and Remuneration Committee**

Our Company has constituted the Nomination and Remuneration Committee, vide Board Resolution dated August 09, 2024 as per the applicable provisions of the Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The Nomination and Remuneration Committee comprise the following:

<b>Name of the Directors</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Indira Suresh Vora	Chairperson	Independent Director
Hetal Karshanbhai Vaghela	Member	Independent Director
Nimesh Puranprakash Phophalia	Member	Non-Executive Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee.

***Terms of reference of Nomination and Remuneration Committee:***

The role of the Nomination and Remuneration shall include the following:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- b) The Nomination and Remuneration Committee should, for every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. For the purpose of identifying suitable candidates as an independent director, the Committee may:
  - a) use the services of an external agencies, if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates.

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

- c) Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- d) Devising a policy on Board diversity;
- e) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- f) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- g) Recommend to the board, all remuneration, in whatever form, payable to senior management;
- h) Periodically reviewing and re-examining the terms of reference and making recommendations to our Board for any proposed changes;
- i) Ensuring proper induction program for new directors, key managerial personnel and senior management and reviewing its effectiveness along-with ensuring that on appointment, they receive a formal letter of appointment in accordance with guidelines provided under the Companies Act, 2013;
- j) Developing a succession plan for the Board and senior management and regularly reviewing the plan;
- k) Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and
- l) carrying out any other activities as may be delegated by the Board of Directors of the Company functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

## **MANAGEMENT ORGANISATION STRUCTURE**

The following chart depicts our Management Organization Structure:



### Attrition of Employees and Turnover of KMPs

Attrition of Employees					
Sr. No.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24	For the period ended November 30, 2024
1	Employees at the Beginning of the Year	83	96	100	126
2	Employees who joined during the year	13	24	44	2
3	Employees who left during the year	-	(20)	(18)	(7)
	<b>Employees at the end of the year</b>	<b>96</b>	<b>100</b>	<b>126</b>	<b>121</b>
	<b>Attrition Rate %</b>	<b>0.00</b>	<b>20.41</b>	<b>15.93</b>	<b>5.67</b>
	Employees who left during the year	-	20	18	7
	Average number of Employees during the year	89.5	98	113	123.5

Calculated as = (Number of employees exited during the year/ divided by average number of employees during the year) \* 100. Wherein average number of employees is calculated by adding the number of employees at the beginning of the year and at the end of the year and then dividing the same by 2.

The KMPs of the Company were appointed in the current financial year i.e., 2024-25 hence, the turnover of KMPs is not applicable.

### Key Managerial Personnel and Senior Management

#### Key Managerial Personnel

In addition to Kailash Kabra whose details are provided in “*Our Management*” on page 156, the details of our other Key Managerial Personnel as on the date of this Red Herring Prospectus are as set forth below:

**Hiral Ishan Dave** aged 36 years is the Company Secretary and Compliance Officer for our Company. She holds a certificate of membership from Institute of Company Secretaries of India. She has been associated with our Company since April 01, 2024 and is responsible for managing the company secretarial functions in our Company. She has 5 years of experience in Company Secretarial work. Prior to joining our Company, she was associated with Funworld and Tourism Deve Private Limited and Shah Foods Limited. She was not entitled to remuneration for the financial year 2024.

**Rahul Jitendrakumar Shah** aged 48 years is the Chief Financial Officer of our company. He holds a degree in Master of Commerce from C. U. Shah City Commerce College. He has been associated with our Company since April 01, 2024 and is responsible for handling the accounting and finance function. Prior to joining our Company, he was associated with Anjalee Jewellers for a period 9 years where he was part of accounts and tax department. He was not entitled to remuneration for the financial year 2024.

## Senior Management Personnel

In addition to the Company Secretary and the Chief Financial Officer of our Company, whose details are provided in “*Our Management – Key Managerial Personnel*”, the details of our Senior Management, as on the date of this Red Herring Prospectus are as follows:

**Bhavyakumar Dineshbhai Turakhia** aged 40 years is the sales head of our Company. He holds Bachelors of Commerce from Som-Lalit College of Commerce. He has been associated with our company since 2012. He has around 12 years of experience in department of sales. He is responsible for handling all kinds of showroom operations with respect to selling of jewellery, developing marketing strategies and implementing it and ensuring effective customer-supplier relations. In Financial year 2024, he received a gross remuneration of ₹ 11.25 Lakhs.

**Siddharth K Sethia** aged 36 years is the sales and purchase head of our Company. He holds Bachelors of Commerce from J.G. College of Commerce. He has been associated with our company since 2012. He has around 12 years of experience in sales and purchase of jewellery products. He is responsible for development and execution of sales strategies, establishing market strategies through effective marketing initiatives, and also optimizing procurement processes to ensure cost efficiency and supplier relations. In Financial year 2024, he received a gross remuneration of ₹ 11.25 Lakhs.

## Confirmations

None of our Directors are related to any of our Key Managerial Personnel or Senior Management and none of our Key Managerial Personnel or Senior Management are related to each other.

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our other Key Managerial Personnel or Senior Management were selected as key managerial personnel or senior management personnel.

## Interest of Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management have any interest in our Company, other than to the extent of (i) the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business, and (ii) the Equity Shares held by them, if any, and any dividend payable to them and other benefits arising out of such shareholding.

There is no contingent or deferred compensation accrued for the year payable to the Key Managerial Personnel or Senior Management, even if the compensation is payable at a later date.

Other than as disclosed in this section and as disclosed in “*Restated Financial Statements –Related Party Transactions*” on page 202, our Company has not paid any compensation or granted any benefit to any of our Key Managerial Personnel and Senior Management in all capacities in Financial year 2024.

No loans have been availed by our Key Management Personnel or Senior Management from our Company as on the date of this Red Herring Prospectus.

For further details of the interest of our Executive Directors in our Company, see “*Interests of Our Directors*” on page 160.

## Payment or Benefit to Key Managerial Personnel and Senior Management

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel, Senior Management, is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except as disclosed in “*Interests of Our Directors*” on page 160 and stated otherwise in this Red Herring Prospectus and any statutory payments made by our Company, no amount or benefits in kind has been paid or given, in the two years preceding of the date of this Red Herring Prospectus, or is intended to be paid or given to

any of our Company's officers including the Key Managerial Personnel and Senior Management except remuneration and re-imbursements for services rendered as Directors, officers or employees of our Company

#### **Bonus or profit-sharing plans for our Key Managerial Personnel or Senior Management**

Other than as disclosed in “*Bonus or profit-sharing plan of the Directors*”, and the annual variable payments which our Key Managerial Personnel or Senior Management are entitled to, our Key Managerial Personnel or Senior Management are not parties to any bonus or profit-sharing plan of our Company.

#### **Shareholding of our Key Managerial Personnel or Senior Management in our Company**

Other than as disclosed in “*Shareholding of Directors in our Company*”, none of our Key Managerial Personnel or Senior Management hold any Equity Shares.

#### **Changes in Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years.**

Except as mentioned below, there have been no changes in our Key Managerial Personnel and Senior Management Personnel in the last three years:

<b>Name of the individual</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason</b>
Kailash Kabra	Managing Director	April 01, 2024	Appointment
Hiral Ishan Dave	Company Secretary	April 01, 2024	Appointment
Rahul Jitendrakumar Shah	Chief Financial Officer	April 01, 2024	Appointment

For details, see “*Risk Factors – We are highly dependent on our Key Managerial Personnel and our Senior Management Personnel for our business. The loss of or our inability to attract or retain such persons could have an adverse effect on our business performance*” on page 26”.

#### **Employee stock option schemes**

As on date of this Red Herring Prospectus, our Company does not have any employee stock option scheme.

## OUR PROMOTER AND PROMOTER GROUP

### **Our Promoters**

The promoters of our Company are Kailash Kabra and Jyothi Kailash Kabra. As on date of this Red Herring Prospectus Kailash Kabra holds 40,00,000 and Jyothi Kailash Kabra 14,40,000 Equity Shares in our Company, representing 54.35% and 19.57% respectively of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of shareholding of the Promoters in our Company, see “*Capital Structure – Capital Build Up in respect of shareholding of our Promoters*” on page 64 of this RHP.

### **Details of our Individual Promoters is as follows:**

	<p><b>Kailash Kabra</b> is a Promoter and Managing director of our Company. For a complete profile of Kailash Kabra, i.e., his date of birth, age, residential address, educational qualifications, professional experience, his business and financial activities, positions / posts held in the past, other directorships, other ventures and special achievements, please see “<i>Our Management</i>” on page 156.</p> <p>His permanent account number is <b>AKPPK2815G</b></p> <p>Other than as disclosed in “<i>Promoter Group</i>” and “<i>Our Management</i>” on pages 149 and 156, respectively, Kailash Kabra is not involved in any other venture.</p>
	<p><b>Jyothi Kailash Kabra</b> is a Promoter and director of our Company. For a complete profile of Jyothi Kailash Kabra, i.e., her date of birth, age, residential address, educational qualifications, professional experience, her business and financial activities, positions / posts held in the past, other directorships, other ventures and special achievements, please see “<i>Our Management</i>” on page 156.</p> <p>Her permanent account number is <b>CDNPK1275P</b></p> <p>Other than as disclosed in “<i>Promoter Group</i>” and “<i>Our Management</i>” on pages 149 and 156 respectively, Jyothi Kailash Kabra is not involved in any other venture.</p>

Our Company confirms that the permanent account number, bank account number, passport number, aadhaar number and driving license number of our Promoters shall be submitted to the Stock Exchange at the time of filing of this Red Herring Prospectus.

### **Change in control of our Company**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Red Herring Prospectus.

### **Interest of Promoters in promotion of our Company**

Our Promoters are interested in our Company to the extent (i) they have promoted our Company (ii) of their respective shareholding directly or indirectly along with that of their relatives in our Company, (iii) their directorship in our Company (iv) interest payable on the loans provided to our Company and (v) the dividends payable, if any, and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives in our Company. For further details of our Promoter’s shareholding, see “*Capital Structure*” on page 64 of this RHP. For further details of interest of our Promoters in our Company, see “*Capital Structure*”, “*Our Management – Interest of Directors*” and “*Restated Financial Statements*” on pages 64, 156 and 174 of this RHP.

### **Interest of Promoters in property of our Company**

Our Promoters are not interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

### **Business Interests**

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which such Promoter is interested as a member, in cash or shares or otherwise by any person either to induce them to become or to qualify them as a Director (as applicable) or otherwise for services rendered by them or by such Promoters or such firm or company in connection with the promotion or formation of our Company.

For details of related party transactions entered into by our Company with our Promoters during the financial year immediately preceding the date of this Red Herring Prospectus, please see “*Restated Financial Statements — Related Party Transactions*” on page 202.

### **Payment or benefits to our Promoter or our Promoter Group**

There has been no payment of benefits to our Promoters or the Promoter Group during the two years immediately preceding the date of filing of this Red Herring Prospectus nor there is any intention to pay or give any benefit to our Promoters or any member of the Promoter Group by the Company as on the date of this Red Herring Prospectus except remuneration received by the promoters as disclosed herein and as stated in “*Restated Financial Statements*” beginning on page 174.

Our Company has not entered into any contract, agreement or arrangements during the two years immediately preceding the date of this Red Herring Prospectus and does not propose to enter into any such contract in which our Promoters or the Promoter Group are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made other than as disclosed in “*History and Certain Corporate Matters—Shareholders’ Agreements and Other Agreements*”, “*Our Management*” and “*Restated Financial Statements —Related Party Transactions*” on pages 152, 156 and 176, respectively.

### **Companies or firms with which our Promoters has disassociated in the last three years**

Our Promoter has not disassociated themselves from any company or firm in the three years immediately preceding the date of this RHP.

### **Material Guarantees**

Other than as disclosed in “*Statement of Financial Indebtedness – Guarantee*” on page 207, our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares of our Company, on behalf of the Company.

### **Confirmations**

Our Promoters and members of our Promoter Group have not been declared wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by Reserve Bank of India.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters and members of our Promoter Group are not and has never been promoter, director, or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

### **Our Promoter Group**



In addition to our Promoters, individuals and entities that form part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations are set out below:

**A. Individuals forming part of our Promoter Group**

The individuals forming a part of our Promoter Group are as follows:

Relatives	Name of the Promoters	
	Kailash Kabra	Jyothi Kailash Kabra
Father	Satyanarayan Jagannath Kabra	Amarchand Rander
Mother	Sarojdevi Satyanarayan Kabra	Rajkumari Rander
Sister	Poonam Harsh Mittal	-
Brother	-	Rahul Rander
Daughter	Khwaish Kailash Kabra	Khwaish Kailash Kabra
Spouse	Jyothi Kailash Kabra	Kailash Kabra
Spouse's Father	Amarchand Rander	Satyanarayan Jagannath Kabra
Spouse's Mother	Rajkumari Rander	Sarojdevi Satyanarayan Kabra
Spouse's Sister	-	Poonam Harsh Mittal
Spouse's brother	Rahul Rander	-

**B. The entities forming a part of our Promoter Group**

Sr. No.	Particulars (Company to fill in the details)
1.	Elegance Silks Private Limited
2.	Satyanarayan Jagannath Kabra HUF
3.	Maya Texturisers Private Limited
4.	Disha Resources Limited

## **DIVIDEND POLICY**

The declaration and payment of dividends on the Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act and rules made thereunder, to the extent applicable to our Company, and the SEBI Listing Regulations and the dividend policy of our Company, which may be reviewed and amended periodically by the Board.

Our Company does not have formal dividend policy. The quantum of dividend, if any, and our ability to pay dividend will depend on a number of factors, including but not limited to the capital expenditure requirements, profit earned during the financial year and profit available for distribution, working capital requirements, business expansion and growth, cost of borrowing, economic environment, capital markets, and other factors considered by our Board. Our Company may also, from time to time, pay interim dividends. We may retain all our future earnings, if any, for use in the operations and expansion of our business.

In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under our current or future loan or financing documents. For more information on restrictive covenants under our current loan agreements, please see “*Statement of Financial Indebtedness*” on page 207 of this RHP. Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time. For details of risks in relation to our capability to pay dividend, see “*Risk Factors*” beginning on page 26 of the Red Herring Prospectus. Our ability to pay Dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

Our Company has not declared any dividends on our Equity Shares in the last three Financial Year and for the period from March 31, 2024 until the date of this Red Herring Prospectus.

**SECTION VI- FINANCIAL INFORMATION OF THE COMPANY**  
**RESTATED FINANCIAL STATEMENTS**

**INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL INFORMATION**

**To,**  
**The Board of Directors,**  
**Kabra Jewels Limited**  
Ground Floor, Iscon center,  
Besides Tanishq, Shivranjani Cross road,  
Satellite, Ahmedabad -380015, India

Dear Sir,

1. We have examined the attached Restated Financial Statements of Kabra Jewels Limited (hereinafter referred to as "the Company"), comprising, the Restated Statement of Assets and Liabilities as at November 30, 2024, March 31, 2024, 2023 and 2022, the Restated Statements of Profit and Loss and the Restated Cash Flow Statement for the period ended at November 30, 2024, March 31, 2024, 2023 and 2022, the Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on January 03, 2025 for the purpose of inclusion in the RHP and Prospectus prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares ("SME IPO") prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/ Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Ahmedabad in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Financial Information. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.
3. We, S. N. Shah & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and holds the peer review certificate dated 29.10.2021 valid till 31.10.2024.
4. We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 11<sup>th</sup> June, 2024 in connection with the proposed IPO of the Company;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

5. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Group for the year period ended November 30, 2024, 31st March 2024, 31st March 2023 and 31<sup>st</sup> March 2022 which has been approved by the Board of Directors.
6. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - a) The “Statement of Assets & Liabilities, As Restated” as set out in Annexure I to this report, of the Company for the period ended November 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate.
  - b) The “Statement of Profit & Loss, As Restated” as set out in Annexure II to this report, of the Company for the period ended November 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate.
  - c) The “Statement of Cash Flow, As Restated” as set out in Annexure III to this report, of the Company for the period ended November 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate.
7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the audit report submitted by the Previous Auditors for the respective year, we report that the Restated Financial Information have been made after incorporating:
  - a) Adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the period ended November 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, to reflect the same accounting treatment as per the accounting policies and grouping /classifications followed as at and for the period ended March 31,2024;
  - b) Adjustments for prior period and other material amounts in the respective financial years to which they relate.
  - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments;
  - d) There are no audit qualifications in the Audit Reports issued by the Statutory Auditors for the period ended November 30, 2024, March 31, 2024, 2023 and 2022 which would require adjustments in this Restated Financial Statements of the Company.
  - e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Restated Summary Statements as set out in Annexure IV to this report.
  - f) There are no revaluation reserves, which needed to be disclosed separately in the Restated Financial Statements in the respective financial years.
8. We have also examined the following Notes to the Restated financial information of the Company set out in the Annexure V, prepared by the management and approved by the Board of Directors for the period ended November 30, 2024, March 31, 2024, 2023, and 2022.

**Annexure V - Notes to the Restated Financial Information:**

- a) Restated Statement of Share Capital, as appearing in Note A to this report;
- b) Restated Statement of Reserves & Surplus, as appearing in Note B;

- c) Restated Statement of Long Term Borrowings as appearing in Note C;
  - d) Restated Statement of Deferred Tax (Assets) / Liabilities as appearing in Note D;
  - e) Restated Statement of Other Long Term Provisions as appearing in Note E;
  - f) Restated Statement of Short term borrowings as appearing in Note F;
  - g) Restated Statement of Trade Payables as appearing in Note G;
  - h) Restated Statement of Other Current Liabilities as appearing in Note H;
  - i) Restated Statement of Short Term Provisions as appearing in Note I;
  - j) Restated Statement of Property, Plant & Equipment and Intangible Assets as appearing in Note J;
  - k) Restated Statement of Non-Current Assets as appearing in Note K;
  - l) Restated Statement of Inventories as appearing in Note L;
  - m) Restated Statement of Trade Receivables as appearing in Note M;
  - n) Restated Statement of Cash and Cash Equivalents as appearing in Note N;
  - o) Restated Statement of Short Term Loans and Advances as restated as appearing in Note O;
  - p) Restated Statement of Other Current Assets as appearing in Note P;
  - q) Restated Statement of Revenue from Operations as appearing in Note Q;
  - r) Restated Statement of Purchase of stock in trade as appearing in Note R;
  - s) Restated Statement of Change in Inventories as appearing in Note S;
  - t) Restated Statement of Direct Expenses as appearing in Note T;
  - u) Restated Statement of Employee Benefit Expenses as appearing in Note U;
  - v) Restated Statement of Finance Cost as appearing in Note V;
  - w) Restated Statement of Depreciation and amortisation expense as appearing in Note W;
  - x) Restated Statement of Administrative, Selling and Other Expenses as appearing in Note X;
  - y) Restated Statement of Tax Shelter as appearing in Note Y;
  - z) Restated Statement of Deferred Tax Expenses as appearing in Note Z;
  - aa) Restated Statement of Mandatory Accounting Ratios as appearing in Note AA;
  - bb) Ratio Analysis as appearing in note AA (1).
  - cc) Restated Statement of Related Party Transactions as appearing in Note AB;
  - dd) Capitalization Statement as appearing in Note AC;
9. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. In our opinion, the above financial information contained in Annexure I to V of this report read with the respective Significant Accounting Policies and Notes to Restated Financial Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, SEBI ICDR Regulations and Guidance Note.
12. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For S. N. Shah & Associates**  
**Chartered Accountants**  
**Firm Registration No.:109782W**

**CA Priyam Shah**  
**Partner**  
**Membership No. 144892**  
**Place: Ahmedabad**  
**Date: January 03, 2025**  
**UDIN: 25144892BMHVSG3102**

**Restated Statement of Assets and Liabilities**

(Rs. in Lacs)

Particulars	Notes	As on November 30, 2024	As at March 31,		
			2024	2023	2022
<b>EQUITY AND LIABILITIES</b>					
Shareholders' Funds					
a. Share Capital	A	736.00	46.00	46.00	46.00
b. Reserves & Surplus	B	3,250.78	3,059.88	2,120.24	1,679.66
		<b>3,986.78</b>	<b>3,105.88</b>	<b>2,166.24</b>	<b>1,725.66</b>
Non-Current Liabilities					
a. Long Term Borrowings	C	7,706.81	4,984.36	5,367.67	3,284.27
c. Deferred Tax Liability	D	30.28	19.81	24.47	16.77
b. Long Term Provisions	E	42.65	22.89	13.57	12.61
		<b>7,779.74</b>	<b>5,027.06</b>	<b>5,405.71</b>	<b>3,313.65</b>
Current Liabilities					
a. Short Term Borrowings	F	2,600.27	4,012.48	1,614.95	1,445.99
b. Trade Payables	G				
- MSME		563.43	140.68	298.00	150.00
- Others		1,400.61	892.25	1,504.23	466.69
c. Other Current Liabilities	H	273.54	549.92	151.88	104.30
d. Short Term Provisions	I	338.22	327.90	166.32	194.87
		<b>5,176.08</b>	<b>5,923.23</b>	<b>3,735.38</b>	<b>2,361.85</b>
<b>T O T A L</b>		<b>16,942.59</b>	<b>14,056.17</b>	<b>11,307.33</b>	<b>7,401.16</b>
<b>ASSETS</b>					
Non-Current Assets					
a. Property, Plant & Equipment and Intangible Assets					
i. Property, Plant and Equipment	J	1,689.66	1,544.00	1,291.24	1,005.45
ii. Intangible Assets		16.67	15.17	15.17	15.17
iii. Less: Accumulated Depreciation		448.84	353.45	226.16	131.50
<b>Net Block</b>		<b>1,257.49</b>	<b>1,205.72</b>	<b>1,080.25</b>	<b>889.12</b>
b. Non-current Investments	K	75.65	77.95	46.09	42.30
		<b>1,333.13</b>	<b>1,283.67</b>	<b>1,126.34</b>	<b>931.42</b>
Current Assets					
a. Inventories	L	14,567.02	11,522.74	9,281.72	5,287.17
b. Trade Receivables	M	464.77	628.77	313.36	123.14
c. Cash and Cash Equivalents	N	156.26	200.97	61.33	48.87
d. Short Term Loans & Advances	O	420.44	419.05	524.21	1,010.45
e. Other Current Assets	P	0.97	0.97	0.37	0.11
		<b>15,609.46</b>	<b>12,772.50</b>	<b>10,180.99</b>	<b>6,469.74</b>
<b>T O T A L</b>		<b>16,942.59</b>	<b>14,056.17</b>	<b>11,307.33</b>	<b>7,401.16</b>

For S. N. Shah & Associates  
Chartered Accountants  
Firm Registration No.:109782W

For and on behalf of the Board Kabra Jewels Limited

CA Priyam Shah  
Partner  
Membership No. 144892  
Place: Ahmedabad  
Date: January 03, 2025  
UDIN: 25144892BMHVSG3102

Kailash S Kabra  
(DIN: 03135234)  
Director

Jyothi K Kabra  
(DIN: 05272817)  
Director

Hetal Ishan Dave  
Company Secretary (ACS 48095)

Rahul Jitendrakumar Shah  
Chief Financial Officer

**Restated Statement of Profit and Loss**

**(Rs. In Lacs)**

Particulars	NOTES	For the period ended November 30, 2024	For the year ended March 31,		
			2024	2023	2022
<b>INCOME</b>					
Revenue from Operations	Q	12,527.98	16,400.17	12,227.07	11,208.04
Other Income		20.49	24.15	6.95	4.50
<b>Total Income (A)</b>		<b>12,548.47</b>	<b>16,424.32</b>	<b>12,234.02</b>	<b>11,212.54</b>
<b>EXPENDITURE</b>					
Purchase of Trading Goods	R	12,696.93	15,064.14	13,951.97	10,200.67
Change in Inventories	S	(3,044.28)	(2,241.02)	(3,994.54)	(886.80)
Direct Expenses	T	27.84	41.45	30.05	21.24
Employee benefit expenses	U	381.63	567.81	439.47	344.40
Finance costs	V	715.07	819.01	544.76	378.28
Depreciation and amortisation expense	W	95.40	130.49	96.66	63.17
Administrative Selling & Other Expenses	X	465.27	785.33	560.91	354.48
<b>Total Expenses (B)</b>		<b>11,337.83</b>	<b>15,167.21</b>	<b>11,629.28</b>	<b>10,475.44</b>
<b>Profit before exceptional, extraordinary items and tax</b>		<b>1,210.64</b>	<b>1,257.11</b>	<b>604.74</b>	<b>737.10</b>
Exceptional items		0.00	0.00	0.00	0.00
<b>Profit before extraordinary items and tax</b>		<b>1,210.64</b>	<b>1,257.11</b>	<b>604.74</b>	<b>737.10</b>
Extraordinary Expenses		0.00	0.00	0.00	0.00
<b>Profit before tax</b>		<b>1,210.64</b>	<b>1,257.11</b>	<b>604.74</b>	<b>737.10</b>
<i>Tax expense :</i>					
(i) Current tax	Y	319.27	322.13	156.46	182.23
(ii) Deferred tax	Z	10.48	(4.66)	7.70	14.41
<b>Total Tax Expense</b>		<b>329.75</b>	<b>317.47</b>	<b>164.16</b>	<b>196.64</b>
<b>Profit after tax (E-F)</b>		<b>880.89</b>	<b>939.64</b>	<b>440.58</b>	<b>540.46</b>
<b>Earnings per share</b>					
Basic		<b>11.97</b>	<b>204.27</b>	<b>95.78</b>	<b>117.49</b>
Adjusted		-	<b>12.77</b>	<b>5.99</b>	<b>7.34</b>

For S. N. Shah & Associates  
Chartered Accountants  
Firm Registration No.:109782W

For and on behalf of the Board Kabra Jewels Limited

CA Priyam Shah  
Partner  
Membership No. 144892  
Place: Ahmedabad  
Date: January 03, 2025  
UDIN: 25144892BMHVSG3102

Kailash S Kabra  
(DIN: 03135234)  
Director

Jyothi K Kabra  
(DIN: 05272817)  
Director

Hetal Ishan Dave  
Company Secretary (ACS 48095)

Rahul Jitendrakumar Shah  
Chief Financial Officer

**Restated Statement of Cash Flows**

(Rs. In Lacs)

Particulars	As at November 30, 2024	For the year ended March 31,		
		2024	2023	2022
<b>Cash flow from operating activities:</b>				
Net Profit before tax as per Profit And Loss A/c	<b>1,210.64</b>	<b>1,257.11</b>	<b>604.75</b>	<b>737.10</b>
<b>Adjusted for:</b>				
Depreciation & Amortisation	95.40	130.49	96.66	63.17
Interest & Finance Cost	715.07	819.01	544.76	378.28
Interest Income	(12.58)	(15.53)	(6.79)	(4.50)
Prior Period Expense	-	-	-	(19.98)
Profit/Loss on Sale of Asset	-	(1.37)	1.36	-
<b>Operating Profit Before Working Capital Changes</b>	<b>2,008.52</b>	<b>2,189.72</b>	<b>1,240.74</b>	<b>1,154.08</b>
<b>Adjusted for (Increase)/ Decrease:</b>				
Long Term Provision	19.76	9.32	0.96	12.61
Short term Borrowings	(1,412.21)	2,397.53	168.96	679.63
Short Term Provision	4.10	1.25	(28.07)	153.78
Trade Receivables	164.00	(315.41)	(190.22)	211.98
Trade Payables	931.12	(769.30)	1,185.54	(28.26)
Other Current Liabilities	(276.38)	398.04	47.58	31.20
Inventories	(3,044.28)	(2,241.02)	(3,994.54)	(886.80)
Short term loan and Advances	(1.39)	105.15	486.25	(895.91)
Other Non-Current Assets	2.30	(31.86)	(3.78)	(30.84)
Change in Other Current Assets	-	(0.58)	(0.27)	(0.11)
<b>Cash Generated From Operations</b>	<b>(1,604.46)</b>	<b>1,742.84</b>	<b>(1,086.87)</b>	<b>401.34</b>
Direct Tax Paid	(335.48)	(161.81)	(156.94)	(180.20)
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(1,939.94)</b>	<b>1,581.04</b>	<b>(1,243.81)</b>	<b>221.14</b>
<b>Cash Flow From Investing Activities:</b>				
Purchase of Fixed Assets	(147.16)	(258.65)	(293.16)	(701.34)
Sale of Fixed Assets	-	4.05	4.00	-
Interest Income	12.58	15.53	6.79	4.50
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(134.57)</b>	<b>(239.07)</b>	<b>(282.37)</b>	<b>(696.84)</b>
<b>Cash Flow from Financing Activities:</b>				
Proceeds From Share Capital & Share Premium	-	-	-	-
Proceeds / (Repayment) from Long Term Borrowing (Net)	2,722.45	(383.31)	2,083.40	835.67
Interest & Finance Cost	(692.64)	(819.01)	(544.76)	(378.28)
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>2,029.80</b>	<b>(1,202.32)</b>	<b>1,538.64</b>	<b>457.38</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(44.71)	139.64	12.46	(18.31)
Cash & Cash Equivalents As At Beginning of the Year	200.97	61.33	48.87	67.18
Cash & Cash Equivalents As At End of the Year	<b>156.26</b>	<b>200.97</b>	<b>61.33</b>	<b>48.87</b>

- Statement of cash flow has been prepared under the indirect method as set out in AS-3 on statement of cash flows specified under Sec-133 of Companies Act, 2013 read with Companies (Accounts) Rules, 2014.
- Reconciliation of Cash & Cash Equivalents as per the statement of cash flow.



<b>Balances with Banks</b>	<b>For the period ended November 30, 2024</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Current Account	22.10	58.93	2.82	-
Cash on hand	134.16	142.04	58.51	48.87
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>156.26</b>	<b>200.97</b>	<b>61.33</b>	<b>48.87</b>

For S. N. Shah & Associates  
Chartered Accountants  
Firm Registration No.:109782W

For and on behalf of the Board Kabra Jewels Limited

CA Priyam Shah  
Partner  
Membership No. 144892  
Place: Ahmedabad  
Date: January 03, 2025  
UDIN: 25144892BMHVSG3102

Kailash S Kabra  
(DIN: 03135234)  
Director

Jyothi K Kabra  
(DIN: 05272817)  
Director

Hetal Ishan Dave  
Company Secretary (ACS 48095)

Rahul Jitendrakumar Shah  
Chief Financial Officer

## **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO RESTATED FINANCIAL INFORMATION:**

### **A. SIGNIFICANT ACCOUNTING POLICIES:**

#### **1. Corporate information:**

Kabra Jewels Private Limited was under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated 21<sup>st</sup> July, 2010 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Company was converted from private limited to public limited vide fresh certificate of incorporation August 05, 2024 issued by the Registrar of Companies, Central Processing Centre. The Company is involved in the business of Gems and Jewellery.

#### **2. Basis of preparation of Financial Statements:**

The restated Financial information of the Company comprises the Restated Statement of Assets and Liabilities as at November 30, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, the Restated Statement of Profits and Loss and cash flows for the period ended on November 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022 and the statement of significantly accounting policies and explanatory notes (herein collectively referred to as ('Restated Financial Information')).

These Restated Financial Information have been compiled by the management from the audited financial statements of the Company for the period ended on November 30, 2024, March 31, 2024, 2023, and 2022, approved by the Board of Directors of the Company. Restated Statements have been prepared to comply in all material respects with the provisions of Section 26 of Part I of Chapter III of the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised) issued by ICAI. The Restated Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the relevant stock exchange in connection with its proposed Initial Public Offering of equity shares.

These Restated Financial Information are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act.

#### **3. Accounting Conventions:**

The Financial Statements of the Company are prepared under the historical cost convention on accrual basis of accounting and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and referred to in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and generally accepted accounting principles in India. The accounting policies not referred to otherwise have been consistently applied by the Company during the year.

#### **4. Use of estimates:**

The preparation of financial statements in accordance with the GAAP requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, classification of assets and liabilities into non-current and current and disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenses during the reporting period. Although the financial statements have been prepared based on the management's best knowledge of current events and procedures/actions, the actual results may differ on the final outcome of the matter/transaction to which the estimates relates.

#### **5. Plant, Plant and Equipment's:**

Tangible Assets are stated at cost of acquisition/construction (less Accumulated Depreciation, if any). The cost of Property, Plant, and Equipment comprises of their purchase price, including freight, duties, taxes or levies and directly attributable cost of bringing the assets to their working conditions for their intended use. Subsequent expenditures on Fixed Assets have been capitalized only if such expenditures increase the future benefits from the existing assets beyond their previously assessed standard of performance.

The Intangible Assets of Accounting Software, Server Software, Website Development etc. have been recognised at their cost of acquisition. On the basis of the availability of these assets for their intended use, relevant contractual

agreements and technological changes that may affect the usefulness of these assets, the useful lives of these assets have been assumed to be of five years from the date of their acquisition.

**6. Depreciation:**

Depreciation of Property, Plant and Equipment's is provided on original cost of the asset on Straight Line Method and in the manner prescribed in Schedule II of the Companies Act, 2013. Accordingly the unamortized carrying value is being depreciated over remaining useful life by Straight Line Method.

**7. Inventories:**

Raw materials, Stores & Spares, Loose Tools are valued at Cost or Net Realizable Value, whichever is lower. Finished goods are valued at Cost or Net Realizable Value, whichever is lower. Work-in-progress is valued at lower of estimated cost and Net Realizable Value. Cost is determined as per FIFO method of accounting.

**8. Revenue Recognition:**

All income and expenses are accounted on accrual basis. The revenue in respect of service contract is recognized based on order/contract with the parties.

**9. Foreign Currency Transactions:**

The transactions in foreign currency have been recorded using the rate of exchange prevailing on the date of transactions. The difference arising on the settlement/restatement of the foreign currency denominated Current Assets/Current Liabilities into Indian rupees has been recognized as expenses/income (net) of the year and carried to the statement of profit and loss.

**10. Borrowing Costs:**

Borrowing cost attributable to acquisition of qualifying assets for the period such asset is put to its commercial use, is capitalized as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for intended use. All other borrowing costs are charged to profit and loss account.

**11. Employee Benefits:**

There have been no changes in accounting policy of the company for the period disclosed in the restated standalone financial statement except for accounting for long term employee benefits (Gratuity). The company has changed the accounting policy for Gratuity from cash basis to be based on Actuarial Valuation report. Opening Gratuity Provision (as at 01/04/2021) is adjusted in reserves & Surplus account to the extent of Rs.10.70 Lacs. Actuarial Valuation report is issued by K.A. Pandit dated 21<sup>st</sup> May, 2024.

Particulars	November 30, 2024	2023-24	2022-23	2021-22
(Increase)/ Decrease in Profit to the extent of	-	(14.78)	1.10	2.98

**a) Short Term Employee Benefits**

Short-term employee benefits are recognized as expense in the Statement of Profit & Loss of the year in which the related service is rendered at the undiscounted amount as and when it accrues.

**b) Defined Contribution Plan:**

The company is covered under employee's provident fund and miscellaneous provision Act, 1952 which are defined contribution schemes, liability in respect thereof is determined on the basis of the basis of contribution required to be made under the statues/Rules. Company's contribution to provident fund is charged to Profit & loss Account.

**c) Defined Benefit Plan:**

Kabra Jewels Limited Provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the payment of gratuity Act, 1972 the gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's Salary and the tenure of employment. Liabilities with regard to the gratuity plan are determined by Management Certification as of the balance sheet date, Based upon which, the company contributes all the ascertained liabilities to fund. Trustees administer contributions made to the trust and contributions are invested in specific investment as permitted by Law.

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

(Rs. In Lakhs)

Particulars	November 30, 2024	2023-24	2022-23	2021-22
<b>Provision for Gratuity (Current &amp; Non-Current)</b>	46.90	24.95	14.78	13.68

(Rs. In Lakhs)

Details of Gratuity Expenses	November 30, 2024	2023-24	2022-23	2021-22
<b>Reconciliation of net defined benefit liability</b>				
Net opening provision in books of accounts	24.95	14.78	13.68	10.70
Employee Benefit Expense Current Year	21.95	10.17	1.10	2.98
Contributions to plan assets	0.00	0.00	0.00	0.00
<b>Closing net defined benefit liability</b>	46.90	24.95	14.78	13.68
<b>Principle actuarial assumptions</b>				
Discount Rate	6.93%	7.21%	7.41%	6.90%
Salary Escalation Rate	6.00%	6.00%	6.00%	6.00%
Mortality	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Expected Return on Plan Assets	Not Available	Not Available	Not Available	Not Available

## 12. Taxes on Income:

Taxes on income comprises of current tax and deferred tax. Taxes on income have been determined based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income taxes are determined for future consequences attributable to timing differences between financial determination of income and income chargeable to tax as per the provisions of Income Tax Act, 1961. Deferred tax liability has been worked out using the tax rate and tax laws that were in force as on the date of balance sheet and has not been discounted to its present value after giving effects of carried forward balances of unabsorbed depreciation, unabsorbed business losses as per the Income Tax Act, 1961 and other timing differences as at the Balance Sheet date.

## 13. Impairment of Assets:

As at each balance sheet date, the carrying values of assets are reviewed for impairment if any indication of impairment exists.

## 14. Provisions, Contingent Liabilities and Contingent Assets:

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of the Company's resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liabilities is made when there is a possible obligation that may, but probably will not, require an outflow of resources. As a measure of prudence, the contingent assets are not recognized.

## 15. Cash and Cash Equivalents-For the Purpose of Cash Flow Statements:

For the purpose of Cash Flow Statements, cash and cash equivalents include Cash on Hand and Balances with Banks in the Current Account as well as Fixed Deposits account.

## 16. Operating Cycle:

Based on the activities of the company and normal time between incurring of liabilities and their settlement in cash or cash equivalents and acquisition/right to assets and their realization in cash or cash equivalents, the company has considered its operating cycle as 12 months for the purpose of classification of its liabilities and assets as current and non-current.

#### 17. Earnings Per Share:

The earnings per share as per AS-20 "Earning Per Share" has been computed on the basis of net profit after tax divided by the weighted average number of shares outstanding during the year.

#### B. NOTES TO ACCOUNTS ON RESTATED FINANCIAL STATEMENTS:

##### 1. Reconciliation of Restated Profits:

The summary of the material adjustments made to audited financial statements of the respective years and their impact on the restated statement of profit and loss have been given as under:

(Rs. In lakhs)

Particulars	For the Year ended November, 30 2024	For the Year ended March, 31 2024	For the Year ended March, 31 2023	For the Year ended March, 31 2022
<b>I. Net profit/(Loss) after Tax as per Audited Profit &amp; Loss Account</b>	<b>884.61</b>	<b>899.54</b>	<b>456.44</b>	<b>551.55</b>
<b>II. Adjustments for:</b>				
Tax Provision	0.00	(9.08)	0.47	(2.03)
Discount & Rate Difference of Previous year	-	-	-	(0.10)
Preliminary Expense related to previous year	-	-	0.81	-
Bad debt / discount w/off related previous year	-	0.13	(0.05)	(0.39)
Interest on Income Tax related to current year	-	-	5.01	(9.64)
Interest on Income Tax related to previous year	-	-	-	1.36
Deferred tax	(3.72)	13.92	(0.48)	(3.44)
Other Expenses related to prior years	-	-	(0.24)	(0.63)
Sales return of prior years	-	21.16	(20.27)	6.76
Prior period Depreciation reworked	-	(0.81)	-	-
Provision for Gratuity	-	14.78	(1.10)	(2.98)
<b>III. Net Profit/ (Loss) After Tax as Restated</b>	<b>880.89</b>	<b>939.64</b>	<b>440.58</b>	<b>540.47</b>

#### Notes:

- The company had policy not to consider section 43B payments as per Income tax Act, 1961 as being not material for computing the deferred taxes. The deferred tax liabilities/(assets) were hitherto rounded to the nearest thousand rupees. The adjustments to the deferred tax liabilities/(assets) represent effect of change in the depreciation as per Restated Financial Statements, change in unabsorbed losses, consideration of section 43B payments for computing deferred tax and non-rounding of deferred tax liabilities/(assets) to the nearest thousand rupees.
- Provision for Taxation**-We have reworked Income Tax Liability for all the periods considering effects of the above restatements and the same has been provided in the Restated Financial Statements.  
(See Annexure – Statement of Tax Shelters for reference of Income Tax Liability)
- Adjustment for Deferred Tax**-We have reworked Income Tax Liability for all the periods considering effects of the prior period expenses and the same has been provided in the Restated Financial Statements.
- Provision for Gratuity has been worked out for all the periods on the basis of Actuarial Certification and effects of the same has been provided in the Restated Financial Statements.
- Sales return by the customers are accounted to the year to which it relates.

#### RECONCILIATION OF EQUITY AND RESERVES:

(Rs. In lakhs)

Particulars	For the Year ended November, 30 2024	For the Year ended March, 31 2024	For the Year ended March, 31 2023	For the Year ended March, 31 2022
<b>I. Reserve &amp; Surplus as per audited Balance Sheet</b>	<b>3,255.12</b>	<b>3,060.51</b>	<b>2,166.81</b>	<b>1,710.72</b>
<b>II. Adjustments for:</b>				
Opening adjustment as per restated reserves	(0.63)	(46.57)	(31.06)	-
Tax Provision	0.00	(4.45)	0.47	(2.03)
Discount & Rate Difference of Previous year	-	-	-	(0.10)
Earlier year Tax Demand	-	-	-	(0.24)
Preliminary Expense related to previous year	-	-	0.81	-
Gratuity of years prior to 2021-22	-	1.20	0.34	(10.70)
Expenses prior to 2021-22	-	-	-	(8.90)
Bad debt / discount w/off related previous year	-	0.13	(0.05)	(0.39)
Interest on Income Tax related to current year	-	-	5.01	(9.64)
Interest on Income Tax related to previous year	-	-	-	1.36
other expense related to prior years	-	-	(0.24)	(0.63)
Deferred tax	(3.72)	13.92	(0.48)	(3.44)
Sales return of prior years	-	21.16	(20.27)	6.76
Prior period Depreciation error	-	(0.81)	-	-
Sundry balances written off related to prior years	-	-	-	(0.13)
Provision for Gratuity	-	14.78	(1.10)	(2.98)
<b>III. Reserve &amp; Surplus as per Restated Balance Sheet</b>	<b>3,250.78</b>	<b>3,059.88</b>	<b>2,120.24</b>	<b>1,679.66</b>

## 2. Material regroupings:

Appropriate adjustments have been made in the restated summary Statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the period ended 31 March 2024, prepared in accordance with Revised schedule III to the Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

## 3. Managerial Remuneration:

(Rs. In lakhs)

Particulars	For the Period ended November, 30 2024	For the Year ended March, 31 2024	For the Year ended March, 31 2023	For the Year ended March, 31 2022
Kailash Kabra	32.00	48.00	30.00	30.00
Jyoti Kabra	20.00	30.00	18.00	18.00
<b>T O T A L</b>	<b>52.00</b>	<b>78.00</b>	<b>48.00</b>	<b>48.00</b>

## 4. Auditors Remuneration as reported by the auditor include:

(Rs. In Lakhs)

Particulars	For the Period ended November, 30 2024	For the Year ended March, 31 2024	For the Year ended March, 31 2023	For the Year ended March, 31 2022
For Statutory Audit	1.05	1.60	1.35	1.25
Consultancy Charges	-	1.43	0.49	0.19

<b>TOTAL</b>	<b>1.05</b>	<b>3.03</b>	<b>1.84</b>	<b>1.44</b>
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**5. Disclosure related to CSR expenditure on Corporate Social Responsibility Activities being company covered under section 135 of Companies Act, 2013**

(Rs. In Lakhs)

Particulars	For the Year ended March, 31 2024	For the Year ended March, 31 2023	For the Year ended March, 31 2022
Amount Required to be Spent during the year	10.12	7.49	-
Amount of Expenditure Incurred	13.41	10.51	-
Shortfall at the end of the year	-	-	-
Nature of CSR activities	For Animal Welfare	For Animal Welfare	-

6. The company has communicated suppliers to provide confirmations as to their status as Micro, Small or Medium Enterprise registered under the applicable category as per the provisions of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006). The company has classified suppliers into Micro, Small and Medium Enterprises as per the confirmations received by the company upto the date of the financial statements.

**7. OTHERS**

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Note AB of the enclosed restated financial statements.

Figures have been rearranged and regrouped wherever practicable and considered necessary.

The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good. **Dividends** -The Company has not declared dividends during the periods reported.

**Realizations** – In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

**Contractual liabilities** – All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**Impact of Audit Qualifications/Observations in Statutory Auditor’s Report on Financial Statements**

There have been no audit qualifications/observations in Statutory Auditor’s Report for the period ended November 30, 2024, F.Y.2023-24, 2022-23 and 2021-2022 which requires adjustments in restated financial statements.

**Amounts in the financial statements** – Amounts in the financial statements are rounded off to nearest Indian Rupees in lakhs. Figures in brackets indicate negative values.

For S. N. Shah & Associates  
Chartered Accountants  
Firm Registration No.:109782W

For and on behalf of the Board Kabra Jewels Limited

CA Priyam Shah  
Partner  
Membership No. 144892  
Place: Ahmedabad  
Date: January 03, 2025  
UDIN: 25144892BMHVSG3102

Kailash S Kabra  
(DIN: 03135234)  
Director  
  
Hetal Ishan Dave  
Company Secretary (ACS 48095)

Jyothi K Kabra  
(DIN: 05272817)  
Director  
  
Rahul Jitendrakumar Shah  
Chief Financial Officer

**ANNEXURE V - NOTES TO THE RESTATED FINANCIAL INFORMATION**

**NOTE A – DETAILS OF SHARE CAPITAL AS RESTATED**

(Rs. In Lakhs)

Particulars	For the Period ended November, 30 2024	As at March 31,		
		2024	2023	2022
<b>EQUITY SHARE CAPITAL:</b>				
<b>AUTHORISED:</b>				
1,10,00,000 Equity Shares of Rs. 10/- each for period ended November 30, 2024 (10,00,000 Equity Shares of Rs.10/- each for F.Y 24,23,22)	1,100.00	100.00	100.00	100.00
	<b>1,100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
73,60,000 Equity Shares of Rs. 10/- each for period ended November 30, 2024 (4,60,000 Equity Shares of Rs. 10/each for F.Y 24,23,22)	736.00	46.00	46.00	46.00
	<b>736.00</b>	<b>46.00</b>	<b>46.00</b>	<b>46.00</b>

**Reconciliation of number of shares outstanding at the end of the year:**

(Rs. In Lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31, 2024	As at March 31,2023	As at March 31,2022
Equity Shares at the beginning of the year	4.60	4.60	4.60	4.60
Add: New Shares Issued during the year	-	-	-	-
Add: Bonus Shares issued during the year	69.00	-	-	-
<b>TOTAL</b>	<b>73.60</b>	<b>4.60</b>	<b>4.60</b>	<b>4.60</b>

**Details of Shareholders holding more than 5% of the aggregate shares of the company:**

Name of Shareholders	As at November 30, 2024			As at March 31,2024			As at March 31,2023			As at March 31,2022		
	No. of Shares Held	% of Holding	% Change	No. of Shares Held	% of Holding	% Change	No. of Shares Held	% of Holding	% Change	No. of Shares Held	% of Holding	% Change
Kailash S. Kabra	40,00,000	54.35%	4.35%	2,30,000	50.00%	-	2,30,000	50.00%	-	2,30,000	50.00%	-
Jyothi K Kabra	14,40,000	19.57%	0.00%	90,000	19.57%	19.57%	-	-	-	-	-	-
Sarojdevi Kabra	6,40,000	8.70%	4.35%	60,000	13.04%	13.04%	-	-	-	-	-	-
Krishnaawtar Kabra	6,40,000	8.70%	2.17%	50,000	10.87%	10.87%	-	-	-	-	-	-
Satyanarayan J Kabra	4,76,320	6.47%	0.00%	29,770	6.47%	(43.48)%	2,29,800	49.96%	-	2,29,800	49.96%	-

**NOTE B – DETAILS OF RESERVES AND SURPLUS AS RESTATED**

(Rs. In lakhs)

Particulars	As at March 31,
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	For the Period ended November 30, 2024	2024	2023	2022
<b>Securities Premium Reserve</b>				
Opening Balance	180.00	180.00	180.00	180.00
Add: Proceed Received during the year	-	-	-	-
Less: Bonus Shares issued during the year	(180.00)	-	-	-
<b>Closing Balance</b>	<b>-</b>	<b>180.00</b>	<b>180.00</b>	<b>180.00</b>
<b>Profit &amp; Loss a/c</b>				
Opening Balance	2,879.88	1,940.24	1,499.66	979.17
Add: Profit for the year	880.89	939.64	440.58	540.46
(Less): Provision for Gratuity for earlier years	-	-	-	(10.70)
(Less): Bonus Shares issued during the year	-	-	-	-
Add/(Less): Earlier Year Sundry Balances written off	-	-	-	(0.13)
(Less): Expenses prior to FY 2021-22	-	-	-	(8.90)
(Less): Earlier Year Income Tax Demand	-	-	-	(0.24)
<b>Closing Balance</b>	<b>3,250.78</b>	<b>2,879.88</b>	<b>1,940.24</b>	<b>1,499.66</b>
<b>Total</b>	<b>3,250.78</b>	<b>3,059.88</b>	<b>2,120.24</b>	<b>1,679.66</b>

**NOTE C – DETAILS OF LONG TERM BORROWINGS AS RESTATED**

(Rs. In lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31,		
		2024	2023	2022
<b>Secured Loans</b>				
<b>-Term Loans</b>				
<b>-From Banks</b>				
Secured	1,350.57	1,224.00	1,327.07	1,409.57
<b>-From NBFC</b>	447.03	932.95	-	-
<b>-From other parties</b>				
Unsecured Loans	5,909.21	2,827.41	4,040.61	1,874.70
<b>Total</b>	<b>7,706.81</b>	<b>4,984.36</b>	<b>5,367.67</b>	<b>3,284.27</b>

**SECURITIES:**

Kotak Mahindra Bank Term Loan - 3.90 Crores	The Term Loan is secured by the property owned by the Director (Mrs. Jyothi Kailash Kabra) situated at Bangalore
Kotak Mahindra Bank Term Loan - 10.75 Crores	The Term Loan is secured by the property owned by the Director (Mrs. Jyothi Kailash Kabra) situated at Bangalore
Kotak Mahindra Bank Term Loan - 4.36 Crores	The term loan is the top up loan of the Existing loan from Kotak Mahindra Bank and the security provided is as the same provided at the time of original loan.
Kotak Mahindra Bank Term Loan - 2.19 Crores	The Term Loan is secured by the property owned by the Director (Mrs. Jyothi Kailash Kabra) situated at Bangalore.
Poonawalla Fincorp Limited	The Loan is secured by the property owned by Kabra Jewels Limited situated at Unit No. 112, First Floor, Retail Plaza "ONE 42", Near Navratna Corporate Park , Ambli-Bopal Road, Opp Jayantilal Park, Bodakdev, Ahmedabad-380058
Ratnaafin Capital Private Limited	The Loan is secured by the property owned by Kailash Satyanarayan Kabra situated at Plot no. 41, Emerald Park , Nr. Jal Manjar, Nr. Shedfa Cross Road, Shedfa, Kalol ,Mehsana-382728

**## TERMS OF REPAYMENT FOR LONG TERM BORROWINGS:**

<b>Name of Loans</b>	<b>Repayment Terms</b>
Kotak Mahindra Bank Loan - 10.75 crores	Repayable in 120 monthly installment of 12,48,167/- started from 10th October, 2021
Kotak Mahindra Bank Loan - 4.36 crores	Repayable in 84 monthly installment of 7,01,484/- started from 10th June,2023
Kotak Mahindra Bank Loan - 3.90 crores	Repayable in 120 monthly installment of 4,54,836/- started from 10th December, 2021
Kotak Mahindra Bank Loan – 2.19 crores	Repayable in 120 monthly installment of ₹2,83,381/- started from 10th August, 2024
Kotak Mahindra Bank Loan - 85 Lacs	Repayable in 60 monthly installment of 1,68,311/- started from 10th October, 2021
Poonawalla Fincorp Limited - 4.95 crores	Repayable in 180 monthly installment of 5,02,062/- started from 5th July,2023
Ratnaafin Capital Private Limited - 5.00 crores	Repayable in 120 monthly installment of 7,72,965/- started from 10th October,2023
Mahindra and Mahindra XL6	Repayable in 36 monthly installment of 34,955/- started from 10th March 2024
HDFC Grand I10 Loan	Repayable in 48 monthly installment of 17,636/- started from 07th July 2023
HDFC Grand I10 Loan	Repayable in 48 monthly installment of 17,636/- started from 07th July 2023
HDFC XUV Loan	Repayable in 39 monthly installment of 59,310/- started from 05th June 2023
HDFC BMW Loan	Repayable in 36 monthly installment of `1,23,941/- started from 07th April 2023 (The BMW Loan has been taken over by HDFC Bank)
Toyota Auto Loan	Repayable in 36 monthly installment of ` 95,469/- started from 20th August, 2024.
Bank of India Loan	Repayable in monthly installment of `19,765/- started from 09th December 2022
Auto loan	Repayable in 36 monthly installment of ` 23,525/- started from 1st January, 2021.
Auto Premium loan	Repayable in 48 monthly installment of ` 97,700/- started from 5th October, 2020.

**NOTE D – DETAILS OF DEFERRED TAX ASSET/ (LIABILITY) AS RESTATED**

(Rs. In lakhs)

<b>Particulars</b>	<b>For the Period ended November 30, 2024</b>	<b>As at March 31,</b>		
		<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Deferred Tax (Liability)/Asset</b>				
Opening Balance	19.81	24.47	16.77	2.36
Addition	10.48	(4.66)	7.70	14.41
<b>Deferred Tax Asset/(Liability) (net) after adjustments</b>	<b>30.28</b>	<b>19.81</b>	<b>24.47</b>	<b>16.77</b>

**NOTE E- DETAILS OF LONG TERM PROVISIONS AS RESTATED**

(Rs. In lakhs)

<b>Particulars</b>	<b>For the Period ended November 30, 2024</b>	<b>As at March 31,</b>		
		<b>2024</b>	<b>2023</b>	<b>2022</b>
Provision for Gratuity	42.65	22.89	13.57	12.61
<b>TOTAL</b>	<b>42.65</b>	<b>22.89</b>	<b>13.57</b>	<b>12.61</b>

**NOTE F – DETAILS OF SHORT-TERM BORROWING AS RESTATED**

(Rs. In lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31,		
		2024	2023	2022
<b>Secured</b>				
(a) From Banks				
Cash Credit Account**	2,395.95	3,820.84	1,491.60	1,253.01
<b>Current maturity of long-term debt</b>				
<b>-From Banks</b>				
Secured	174.16	146.56	123.35	192.98
<b>-From NBFC</b>	30.16	45.07	-	-
<b>TOTAL</b>	<b>2,600.27</b>	<b>4,012.48</b>	<b>1,614.95</b>	<b>1,445.99</b>

\*\* Cash Credit from banks are repayable on demand.

**NOTE G – DETAILS OF TRADE PAYABLES AS RESTATED**

(Rs. In lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31,		
		2024	2023	2022
Sundry Creditors for Goods (Unsecured, Considered as Good)	1,900.85	994.29	1,788.73	613.98
Sundry Creditors for Expenses	63.20	38.64	13.50	2.72
<b>TOTAL</b>	<b>1,964.05</b>	<b>1,032.93</b>	<b>1,802.23</b>	<b>616.69</b>

**Trade Payable Ageing schedule**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31,		
		2024	2023	2022
Undisputed dues				
a) Micro, small and medium Enterprise				
Less than 1 year	563.43	140.68	298.00	150.00
1 To 2 Year				
2 to 3 Year				
More than 3 Year				
b) Others				
Not Due				
Less than 1 Year	1,400.61	881.45	1,504.23	466.69
1 to 2 year	-	10.80	-	-
2 to 3 year	-			
More than 3 year	-			
<b>TOTAL</b>	<b>1,964.05</b>	<b>1,032.93</b>	<b>1,802.23</b>	<b>616.69</b>

Note - The Company has not received any information from its suppliers regarding their status as MSME for FY 2022-23 & FY 2021-22, thus all the creditors have been classified as others.

**NOTE H - DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31,		
		2024	2023	2022
Statutory Dues Payable	24.35	68.48	45.24	36.27
Advance from Customer	249.19	481.44	106.64	68.02
<b>TOTAL</b>	<b>273.54</b>	<b>549.92</b>	<b>151.88</b>	<b>104.30</b>

**NOTE I - DETAILS OF SHORT-TERM PROVISIONS AS RESTATED****(Rs. in lakhs)**

<b>Particulars</b>	<b>For the Period ended November 30, 2024</b>	<b>As at March 31,</b>		
		<b>2024</b>	<b>2023</b>	<b>2022</b>
Provision for Audit fees	1.05	1.60	1.35	1.25
Provision for Income Tax	329.91	323.69	163.36	192.10
Provision for Gratuity Payable	4.26	2.06	1.21	1.07
Other Provisions	3.01	0.55	0.40	0.45
<b>TOTAL</b>	<b>338.22</b>	<b>327.90</b>	<b>166.32</b>	<b>194.87</b>

*(This section is intentionally left blank)*

**NOTE J - DETAILS OF PROPERTY, PLANT & EQUIPMENT AS RESTATED**

(Rs. in lakhs)

Property, Plant & Equipment	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2021	ADDITIONS	DEDUCTIONS	AS AT 31.03.2022	UPTO 01.04.2021	FOR THE YEAR	DEDUCTIONS / ADJ.	UPTO 31.03.2022	AS AT 31.03.2022	AS AT 31.03.2021
<b>Tangible Assets</b>										
Building	-	582.17	-	582.17	-	9.85	-	9.85	572.32	-
Electrification	11.61	2.43	-	14.03	1.22	1.20	-	2.42	11.61	10.39
Computer and Printer	14.22	10.43	-	24.64	6.80	6.04	-	12.83	11.81	7.42
Furniture and Fixtures	65.37	26.55	-	91.91	17.37	7.01	-	24.38	67.53	48.00
Office Equipment	57.83	72.64	-	130.47	22.79	18.04	-	40.83	89.64	35.03
Vehicles	158.40	3.82	-	162.22	12.25	19.05	-	31.28	130.93	146.15
<b>Total</b>	<b>307.42</b>	<b>698.02</b>	<b>-</b>	<b>1,005.45</b>	<b>60.42</b>	<b>61.17</b>	<b>-</b>	<b>121.59</b>	<b>883.85</b>	<b>247.00</b>
<b>Intangible Assets</b>										
Software	11.85	3.32	-	15.17	7.91	1.99	-	9.90	5.27	3.95
<b>Total</b>	<b>11.85</b>	<b>3.32</b>	<b>-</b>	<b>15.17</b>	<b>7.91</b>	<b>1.99</b>	<b>-</b>	<b>9.90</b>	<b>5.27</b>	<b>3.95</b>
<b>Grand Total</b>	<b>319.27</b>	<b>701.34</b>	<b>-</b>	<b>1,020.61</b>	<b>68.33</b>	<b>63.17</b>	<b>-</b>	<b>131.50</b>	<b>889.11</b>	<b>250.94</b>
<b>Previous Year</b>	<b>181.67</b>	<b>137.60</b>	<b>-</b>	<b>319.27</b>	<b>43.71</b>	<b>24.62</b>	<b>-</b>	<b>68.33</b>	<b>250.94</b>	<b>137.96</b>

(Rs. in lakhs)

Property, Plant & Equipment	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2022	ADDITIONS	DEDUCTIONS	AS AT 31.03.2023	UPTO 01.04.2022	FOR THE YEAR	DEDUCTIONS / ADJ.	UPTO 31.03.2023	AS AT 31.03.2023	AS AT 31.03.2022
<b>Tangible Assets</b>										
Building	582.17	50.14	-	632.31	9.85	18.68	-	28.53	603.78	572.32

Electrification	14.03	38.10	-	52.14	2.42	2.77	-	5.20	46.94	11.61
Computer and Printer	24.64	4.39	-	29.04	12.83	8.59	-	21.42	7.61	11.81
Furniture and Fixtures	91.91	117.39	-	209.30	24.38	13.51	-	37.89	171.41	67.53
Office Equipments	130.47	56.93	-	187.40	40.83	30.01	-	70.84	116.56	89.64
Vehicles	162.21	26.20	(7.36)	181.05	31.28	20.69	(2.00)	49.98	131.07	130.92
<b>Total</b>	<b>1,005.44</b>	<b>293.16</b>	<b>(7.36)</b>	<b>1,291.23</b>	<b>121.59</b>	<b>94.26</b>	<b>(2.00)</b>	<b>213.85</b>	<b>1,077.38</b>	<b>883.84</b>
<b>Intangible Assets</b>										
Software	15.17	-	-	15.17	9.90	2.40	-	12.30	2.87	5.27
<b>Total</b>	<b>15.17</b>	<b>-</b>	<b>-</b>	<b>15.17</b>	<b>9.90</b>	<b>2.40</b>	<b>-</b>	<b>12.30</b>	<b>2.87</b>	<b>5.27</b>
<b>Grand Total</b>	<b>1,020.61</b>	<b>293.16</b>	<b>(7.36)</b>	<b>1,306.41</b>	<b>131.50</b>	<b>96.66</b>	<b>(2.00)</b>	<b>226.16</b>	<b>1,080.25</b>	<b>889.11</b>
<b>Previous Year</b>	<b>319.27</b>	<b>701.34</b>	<b>-</b>	<b>1,020.61</b>	<b>68.33</b>	<b>63.17</b>	<b>-</b>	<b>131.50</b>	<b>889.11</b>	<b>250.94</b>

(Rs. in lakhs)

Property, Plant & Equipment	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2023	ADDITIONS	DEDUCTIONS	AS AT 31.03.2024	UPTO 01.04.2023	FOR THE YEAR	DEDUCTIONS / ADJ.	UPTO 31.03.2024	AS AT 31.03.2024	AS AT 31.03.2023
<b>Tangible Assets</b>										
Building	632.31	7.63	-	639.94	28.53	20.09	-	48.62	591.32	603.78
Electrification	52.14	11.54	-	63.67	5.20	5.60	-	10.80	52.88	46.94
Computer and Printer	29.04	6.21	-	35.25	21.42	10.30	-	31.72	3.52	7.61
Furniture and Fixtures	209.30	137.11	-	346.41	37.89	27.06	-	64.95	281.46	171.41
Office Equipments	187.40	39.44	-	226.85	70.84	40.63	-	111.46	115.38	116.56
Vehicles	181.05	56.71	(5.88)	231.88	49.98	24.70	(3.20)	71.48	160.41	131.07
<b>Total</b>	<b>1,291.23</b>	<b>258.65</b>	<b>(5.88)</b>	<b>1,544.00</b>	<b>213.85</b>	<b>128.38</b>	<b>(3.20)</b>	<b>339.03</b>	<b>1,204.97</b>	<b>1,077.38</b>
<b>Intangible Assets</b>										
Software	15.17	-	-	15.17	12.30	2.11	-	14.42	0.76	2.87
<b>Total</b>	<b>15.17</b>	<b>-</b>	<b>-</b>	<b>15.17</b>	<b>12.30</b>	<b>2.11</b>	<b>-</b>	<b>14.42</b>	<b>0.76</b>	<b>2.87</b>
<b>Grand Total</b>	<b>1,306.41</b>	<b>258.65</b>	<b>(5.88)</b>	<b>1,559.17</b>	<b>226.16</b>	<b>130.49</b>	<b>(3.20)</b>	<b>353.45</b>	<b>1,205.72</b>	<b>1,080.25</b>
<b>Previous Year</b>	<b>319.27</b>	<b>701.34</b>	<b>-</b>	<b>1,020.61</b>	<b>68.33</b>	<b>63.17</b>	<b>-</b>	<b>131.50</b>	<b>889.11</b>	<b>250.94</b>

(Rs. in lakhs)

Property, Plant & Equipment	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 01.04.2024	ADDITIONS	DEDUCTIONS	AS AT 30.11.2024	UPTO 01.04.2024	FOR THE YEAR	DEDUCTIONS / ADJ.	UPTO 30.11.2024	AS AT 30.11.2024	AS AT 31.03.2024
<b>Tangible Assets</b>										
Building	639.94	-	-	639.94	48.62	13.52	-	62.14	577.79	591.32
Electrification	63.67	6.45	-	70.12	10.80	4.30	-	15.10	55.03	52.88
Computer and Printer	35.25	0.92	-	36.17	31.72	2.64	-	34.36	1.81	3.52
Furniture and Fixtures	346.41	64.00	-	410.42	64.95	23.98	-	88.94	321.48	281.46
Office Equipments	226.85	16.31	-	243.15	111.46	29.74	-	141.20	101.95	115.38
Vehicles	231.88	57.97	-	289.85	71.48	20.99	-	92.46	197.39	160.41
<b>Total</b>	<b>1,544.00</b>	<b>145.66</b>	<b>-</b>	<b>1,689.66</b>	<b>339.03</b>	<b>95.17</b>	<b>-</b>	<b>434.20</b>	<b>1,255.45</b>	<b>1,204.97</b>
<b>Intangible Assets</b>										
Software	15.17	1.50	-	16.67	14.42	0.23	-	14.64	2.03	0.76
<b>Total</b>	<b>15.17</b>	<b>1.50</b>	<b>-</b>	<b>16.67</b>	<b>14.42</b>	<b>0.23</b>	<b>-</b>	<b>14.64</b>	<b>2.03</b>	<b>0.76</b>
<b>Grand Total</b>	<b>1,559.17</b>	<b>147.16</b>	<b>-</b>	<b>1,706.33</b>	<b>353.45</b>	<b>95.40</b>	<b>-</b>	<b>448.84</b>	<b>1,257.49</b>	<b>1,205.73</b>
<b>Previous Year</b>	<b>1,306.41</b>	<b>258.65</b>	<b>(5.88)</b>	<b>1,559.17</b>	<b>226.16</b>	<b>130.49</b>	<b>(3.20)</b>	<b>353.45</b>	<b>1,205.73</b>	<b>1,080.25</b>

**NOTE K- DETAILS OF OTHER NON-CURRENT ASSETS AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31,		
		2024	2023	2022
Security Deposit	70.65	72.95	41.09	37.30
Fixed Deposit (having maturity of more than 12 months)	5.00	5.00	5.00	5.00
<b>TOTAL</b>	<b>75.65</b>	<b>77.95</b>	<b>46.09</b>	<b>42.30</b>

**NOTE L - DETAILS OF INVENTORIES AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31,		
		2024	2023	2022
Traded Goods	14,567.02	11,522.74	9,281.72	5,287.17
<b>TOTAL</b>	<b>14,567.02</b>	<b>11,522.74</b>	<b>9,281.72</b>	<b>5,287.17</b>

**NOTE M - DETAILS OF TRADE RECEIVABLES AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31,		
		2024	2023	2022
<u>Unsecured, Considered Good, unless otherwise stated</u>				
- <i>Over Six Months</i>	133.70	32.17	-	0.64
From Directors/ Promoter/ Promoter Group/ Relatives of Directors and Group Companies	-	-	-	-
Others	331.07	596.60	313.36	122.50
<b>TOTAL</b>	<b>464.77</b>	<b>628.77</b>	<b>313.36</b>	<b>123.14</b>

**Trade Receivable Ageing Schedule**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31,		
		2024	2023	2022
<b>Unsecured, Considered Good</b>				
< 6 month	331.07	596.60	313.36	122.50
6-12 Month	133.70	32.17	-	0.64
1-2 year	-	-	-	-
2-3 Year	-	-	-	-
> 3 year	-	-	-	-
<b>Unsecured, Considered Doubtful</b>				
< 6 month	-	-	-	-
6-12 Month	-	-	-	-
1-2 year	-	-	-	-
2-3 Year	-	-	-	-
> 3 year	-	-	-	-
<b>TOTAL</b>	<b>464.77</b>	<b>628.77</b>	<b>313.36</b>	<b>123.14</b>

**NOTE N - DETAILS OF CASH & CASH EQUIVALENTS AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31,		
		2024	2023	2022
Balance with Banks	22.10	58.93	2.82	-
Cash on Hand	134.16	142.04	58.51	48.87
<b>TOTAL</b>	<b>156.26</b>	<b>200.97</b>	<b>61.33</b>	<b>48.87</b>



**NOTE O - DETAILS OF SHORT TERM LOANS AND ADVANCES AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31,		
		2024	2023	2022
Loans and Advances to Employees	29.75	21.11	19.34	4.59
GST Receivable	141.18	112.26	109.02	17.59
TCS Receivable	0.52	0.69	1.11	0.65
TDS Receivable	1.02	0.98	0.72	0.95
Advance Tax	50.00	200.00	160.00	80.00
Income Tax Refund Receivable	0.30	0.30	-	-
Excess Payment of TDS	0.08	0.08	-	-
<b>Other Loans and Advances</b>				
Prepaid Expenses	44.39	7.49	7.35	0.92
Advance to Suppliers	141.19	68.96	226.25	905.75
Unsecured, Considered Good	-	-	-	-
<b>TOTAL</b>	<b>420.44</b>	<b>419.05</b>	<b>524.21</b>	<b>1,010.45</b>

**NOTE P - DETAILS OF OTHER CURRENT ASSETS AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31,		
		2024	2023	2022
Interest Accrual on Deposit	0.97	0.97	0.37	0.11
Other	-	-	-	-
<b>TOTAL</b>	<b>0.97</b>	<b>0.97</b>	<b>0.37</b>	<b>0.11</b>

**NOTE Q - DETAILS OF REVENUE FROM OPERATIONS AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31,		
		2024	2023	2022
Sales of Products	12,595.57	16,586.19	12,593.49	11,321.68
Less: Sales Returns	(67.59)	(186.02)	(366.42)	(113.64)
<b>Total</b>	<b>12,527.98</b>	<b>16,400.17</b>	<b>12,227.07</b>	<b>11,208.04</b>
<b>Other Income</b>	-			
Interest Income	12.58	0.58	0.27	0.11
Discount & Rate Difference	0.87	14.94	6.52	4.39
Other Income	4.57	0.91	0.16	-
Rent Income	2.48	6.35	-	-
Profit on Sale of Asset	-	1.37	-	-
<b>Total Of Other Income</b>	<b>20.49</b>	<b>24.15</b>	<b>6.95</b>	<b>4.50</b>

**NOTE R - DETAILS OF PURCHASE OF STOCK IN TRADE AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31,		
		2024	2023	2022
Purchases	13,086.03	15,452.31	14,209.70	10,321.86
Less: Purchase Returns	(389.09)	(388.18)	(257.74)	(121.20)
<b>Net Purchases</b>	<b>12,696.93</b>	<b>15,064.14</b>	<b>13,951.97</b>	<b>10,200.67</b>

**NOTE S - DETAILS OF CHANGES IN INVENTORY AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	As at March 31,		
		2024	2023	2022
<b>Closing Stock</b>				
Traded Goods	14,567.02	11,522.74	9,281.72	5,287.17
	<b>14,567.02</b>	<b>11,522.74</b>	<b>9,281.72</b>	<b>5,287.17</b>
<b>Opening Stock</b>				
Traded Goods	11,522.74	9,281.72	5,287.17	4,400.37
	<b>11,522.74</b>	<b>9,281.72</b>	<b>5,287.17</b>	<b>4,400.37</b>
<b>Net Increase / (Decrease)</b>	<b>(3,044.28)</b>	<b>(2,241.02)</b>	<b>(3,994.54)</b>	<b>(886.80)</b>

**NOTE T - DETAILS OF DIRECT EXPENSES AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	For the year ended March 31,		
		2024	2023	2022
Electricity Charges	17.62	25.08	15.04	8.67
Testing Certification Charges	7.16	9.55	12.62	12.55
Labour Expenses	2.02	3.65	2.39	0.02
Jewellery Repairing & Polish Expenses	1.03	3.18	-	-
<b>Total</b>	<b>27.84</b>	<b>41.45</b>	<b>30.05</b>	<b>21.24</b>

**NOTE U - DETAILS OF EMPLOYEE BENEFIT EXPENSES AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	For the year ended March 31,		
		2024	2023	2022
<b>EMPLOYEE BENEFITS EXPENSE:</b>				
Salary & Wages	239.71	324.71	268.10	197.15
Contribution to Provident & Pension/Other Funds	15.59	18.84	15.45	12.80
Bonus Expenses	29.70	95.99	71.44	54.00
Staff Welfare Expenses	22.67	40.10	35.38	29.48
Gratuity Expense	21.95	10.17	1.10	2.98
Director's Salary	52.00	78.00	48.00	48.00
<b>Total</b>	<b>381.63</b>	<b>567.81</b>	<b>439.47</b>	<b>344.40</b>

**NOTE V - DETAILS OF FINANCE COST AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	For the year ended March 31,		
		2024	2023	2022
Bank Charges & Loan Processing Fees	43.97	29.44	21.72	18.41
Interest on Loans from NBFC	72.54	40.78	-	-
Interest Expenses on Bank Borrowings	279.02	235.14	168.79	90.52
Other Interest Expenses	23.83	0.79	4.79	10.01
Other Borrowing Cost	295.70	512.85	349.45	259.35
<b>Total</b>	<b>715.07</b>	<b>819.01</b>	<b>544.76</b>	<b>378.28</b>

**NOTE W - DETAILS OF DEPRECIATION & AMORTIZATION EXPENSE AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	For the year ended March 31,		
		2024	2023	2022
Depreciation	95.40	130.49	96.66	63.17
<b>Total</b>	<b>95.40</b>	<b>130.49</b>	<b>96.66</b>	<b>63.17</b>

**NOTE X - DETAILS OF ADMINISTRATIVE SELLING & OTHER EXPENSES AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	For the year ended March 31,		
		2024	2023	2022
Rent, Rates & Taxes	156.34	234.42	159.06	97.30
Audit Fees	1.05	1.60	1.35	1.25
Legal & Professional fees	67.99	108.78	52.85	53.13
Conveyance, Vehicle & Travelling Expenses	22.67	34.64	30.59	27.49
Stationery & Printing Expense	10.10	11.01	10.57	6.76
Telephone, Mobile & Internet Expense	1.12	2.08	3.50	2.09
Post, Telegram & Courier Expense	11.25	13.99	4.14	9.04
Insurance Expenses	7.09	6.88	5.79	5.88
Donation Expenses	14.63	33.26	21.50	14.23
Sales Promotion Expenses	35.65	53.79	84.02	42.98
Repairs & Maintainance	6.72	9.62	10.92	6.03
Computer & Software Expenses	6.61	11.15	5.66	7.13
Loss on Sale of Fixed Assets	-	-	1.36	-
Advertisement Expenses	29.22	51.69	35.26	6.57
Display , Packaging Expenses & Exhibition Expenses	52.78	106.24	71.30	43.33
Office Expenses	34.80	51.05	63.03	31.27
Discount Expenses	7.22	55.12	-	-
<b>Total</b>	<b>465.25</b>	<b>785.33</b>	<b>560.91</b>	<b>354.48</b>

**NOTE Y - STATEMENT OF TAX SHELTER AS RESTATED**

(Rs. in lakhs)

Particulars	For the Period ended November 30, 2024	For the year ended March 31,		
		2024	2023	2022
Restated Profit before tax as per books (A)	1,210.64	1,257.11	604.75	737.10
<b>Tax Rates</b>				
Income Tax Rate (%)	25.17%	25.17%	25.17%	25.17%
<b>Permanent Timing Difference</b>				
Effects of Other Allowance/Disallowance	26.24	0.59	10.15	3.52
Deduction - Donation(CSR)	14.63	33.26	21.50	14.23
Loss on sale of Fixed Asset	0.00	(1.37)	1.36	-
<b>Temporary Timing Differences</b>				
Book Depreciation	95.40	130.49	96.66	63.17
Unpaid Gratuity	21.95	-	14.78	13.68
Income Tax Depreciation Allowance	(100.29)	(140.15)	(127.52)	(107.65)
<b>Total Timing Differences (C)</b>	<b>57.93</b>	<b>22.82</b>	<b>16.93</b>	<b>(13.07)</b>
<b>Net Adjustments D = (B+C)</b>	<b>57.93</b>	<b>22.82</b>	<b>16.93</b>	<b>(13.07)</b>
<b>Tax expense / (saving) thereon</b>	<b>14.58</b>	<b>5.74</b>	<b>4.26</b>	<b>(3.29)</b>
<b>Taxable Income/(Loss) (A+D+E+F)</b>	<b>1,268.57</b>	<b>1,279.94</b>	<b>621.68</b>	<b>724.04</b>
<b>Income Tax on above</b>	<b>319.27</b>	<b>322.13</b>	<b>156.46</b>	<b>182.23</b>
<b>Tax Expense</b>				
a. Current Tax Rounded	319.27	322.13	156.46	182.23

<b>TOTAL</b>	<b>319.27</b>	<b>322.13</b>	<b>156.46</b>	<b>182.23</b>
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**NOTE Z: STATEMENT OF DEFERRED TAX EXPENSES**

(Rs. in lakhs)

Particulars	November 30, 2024	2023-24	2022-23	2021-22
WDV as per book	1257.49	1,205.73	1,080.25	889.11
WDV as per IT	(1159.11)	(1,112.24)	(997.80)	(836.16)
Gratuity	21.95	-	14.78	13.68
<b>Time Difference</b>	120.33	93.48	97.23	66.63
Disallowance u/s 43B	-	(14.78)	-	-
<b>Total</b>	<b>120.33</b>	<b>78.70</b>	<b>97.23</b>	<b>66.63</b>
As per B/s (DTA)/DTL	<b>30.28</b>	<b>19.81</b>	<b>24.47</b>	<b>16.77</b>
Opening Balance	19.81	24.47	16.77	2.36
<b>Transfer to P &amp; L A/c</b>	(10.48)	4.66	(7.70)	(14.41)

**NOTE AA - MANDATORY ACCOUNTING RATIOS AS RESTATED**

(Rs. in lakhs, except per share data)

Ratios	For the Period ended November 30, 2024	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Restated PAT as per P& L Account	880.89	939.64	440.58	540.47
Weighted Average Number of Equity Shares at the end of the Year	73,60,000	4,60,000	4,60,000	4,60,000
Weighted Average Number of Equity Shares at the end of the Year (Post Bonus)	73,60,000	73,60,000	73,60,000	73,60,000
Net Worth as per Restated	3986.78	3105.88	2166.24	1725.66
Earnings Per Share (Basic & Diluted)	11.97	204.27	95.78	117.49
Earnings Per Share (Basic & Diluted) Post Bonus	11.97	12.77	5.99	7.34
EBITDA	2000.61	2182.46	1239.22	1174.05
<b>Return on Net Worth (%)</b>	22.10%	30.25%	20.34%	31.32%
<b>Net Asset Value Per Share (Rs)-</b>	54.17	675.19	470.92	375.14
<b>Net Asset Value Per Share (Rs)- Post Bonus Issue</b>	54.17	42.20	29.43	23.45
<b>Nominal Value per Equity Share (₹)</b>	10.0	10.00	10.00	10.00

**NOTE AA(1) - RATIO ANALYSIS**

Sr. No.	Ratios	November 30 <sup>th</sup>	As At 31 <sup>st</sup> March				Variance	Variance	Variance	Explanation for any change in ratio by more than 25% as compared to P.Y. (A-B)	Explanation for any change in ratio by more than 25% as compared to P.Y. (B-C)	Explanation for any change in ratio by more than 25% as compared to P.Y. (C-D)
			2024 A	2024 B	2023 C	2022 D						
1	Current Ratio	3.02	2.16	2.73	2.74	39.85 %	-21%	-1%	The Stubs period comprises of 8 months and the same is not comparable with previous period.	Not Applicable	Not Applicable	
2	Debt-Equity Ratio	2.59	2.90	3.22	2.74	- 10.75 %	-10%	18%		Not Applicable	Not Applicable	
3	Debt Service Coverage Ratio	2.07	2.57	3.78	17.57	- 19.42 %	-32%	-78%		With increase in business and showrooms, the company's long term liability has increased.	With increase in business and showrooms, the company's long term liability has increased.	
4	Return on Equity Ratio	24.84 %	35.65 %	22.64 %	36.88 %	- 30.32 %	57%	-39%		With increase in margin and business, ROE of the company has improved.	With increase in long term liability, interest and depreciation expense of the company had increased. Benefit of increase in interest and depreciation expense are realized in FY 2023-24.	
5	Inventory Turnover Ratio	0.74	1.23	1.37	1.92	- 39.97 %	-10%	-29%		Not Applicable	With new showrooms, the company	

											had increased its inventory thereby leading to reduction in inventory turnover ratio.
6	Trade Receivables turnover ratio	22.91	34.82	56.02	48.92	-34.19 %	-38%	15%		This indicates that the company has started giving higher credit to its customers with increase in liquidity and business.	Not Applicable
7	Trade Payables turnover ratio	8.47	10.63	11.54	31.63	-20.27 %	-8%	-64%		Not Applicable	This ratio indicates that the company has started getting higher credit from its suppliers.
8	Net Capital turnover ratio	1.45	2.47	2.32	2.99	-41.24 %	6%	-22%		Not Applicable	Not Applicable
9	Net Profit Ratio	7.03%	5.73 %	3.60 %	4.82 %	22.72 %	59%	-25.28 %		With increase in margin and business, Net profit of the company has improved.	With increase in long term liability, interest and depreciation expense of the company had increased. Benefit of increase in interest and

											depreciation expense are realized in FY 2023-24.
10	Return on Capital Employed	14.14 %	18.23 %	13.62 %	18.26 %	- 22.45 %	34%	- 25.39 %		With increase in margin and business, ROCE of the company has improved to previous levels.	With increase in long term liability, interest and depreciation expense of the company had increased. Benefit of increase in interest and depreciation expense are realized in FY 2023-24.
11	Gross Profit Ratio	18.92 %	17.09 %	14.10 %	13.04 %	10.74 %	21%	8%		Not Applicable	Not Applicable

- Current Ratio = Current Assets / Current Liabilities.
- Debt- equity ratio = Total debt / Shareholders' equity.
- Debt service coverage ratio = EBITDA/ (Principal + Interest).
- Return on equity ratio= Net profit after taxes / Avg. Shareholder's Equity.
- Inventory turnover ratio=Cost of goods sold or sales/Average inventory.
- Trade receivables turnover ratio= Revenue from Operations /Average trade receivables.
- Trade payables turnover ratio=Direct Expenses/Average trade payables.
- Net Capital turnover ratio=Net sales/Average working capital.
- Net profit ratio=Net profit after taxes/Total Revenue.
- Return on capital employed=Earnings before interest and taxes/Capital employed.
- Gross Profit Ratio= Gross Profit / Net Sales.
- RoCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Equity Shares, Reserves and surplus, Long-Term Borrowing, Short-Term Borrowing and Deferred Tax Liability/(Deferred Tax Asset).
- Gross Profit is calculated as Revenue from Operations less Cost of Materials consumed, Manufacturing Expenses, Purchase of stock in trade goods, Changes in inventories of finished goods, work-in-progress and stock in trade and Depreciation and amortisation expense.

#### NOTE AB: LIST OF RELATED PARTIES & RELATED PARTY TRANSACTIONS

<b>A. List of Related Parties</b>
<b>Associate Concerns/ Entities in which managerial personnel/relative of key managerial personnel have significant influence:</b>
i. Chandi Mahal
ii. Maya Texturries Pvt.Ltd

iii. The Goods Things in Life
iv. Disha Resources Limited
v. Krishna Awtar Kabra HUF
<b>Key Management Personnel</b>
i. Jyothi K Kabra
ii. Kailash K Kabra
iii. Rahul Shah (Chief Financial Officer)
<b>Relative of Key Management Personnel</b>
i. Krishna Awtar Kabra
ii. Rachna Amit Maheshwari
iii. Saroj Devi Kabra
iv. Mayadevi Kabra

**B) Transactions with Related Party as Restated**

Particulars			November 30, 2024	(In Lakhs)		
Nature of Transaction	Related Parties	Relation		2023-24	2022-23	2021-22
<b>Remuneration (including bonus)</b>	Kailash Kabra	Key Managerial Personal	32.00	48.00	30.00	30.00
	Jyoti Kabra	Key Managerial Personal	20.00	30.00	18.00	18.00
	Rahul Shah	Chief Financial Officer	4.00	-	-	-
<b>Purchase net of Returns (Inclusive of GST)</b>	Chandi Mahal	Entity in which Appointed director interested	-	-	723.18	6.92
	J.B.Jewels	Entity in which Appointed director interested	-	-	-	4.87
	Sarojdevi Kabra	Relative of Key Managerial Personnel	0.44	-	-	-
<b>Professional &amp; Consultancy Expenses</b>	Rachna Amit Maheshwari	Relative of Key Managerial Personnel	32.00	-	-	-
<b>Purchase of Property, Plant &amp; Equipment</b>	Chandi Mahal	Entity in which Appointed director interested	-	25.94	-	-
<b>Rent Paid</b>	Kailash Kabra	Key Managerial Personal	26.75	40.12	40.12	40.12
<b>Sales net off Returns (Inclusive of GST)</b>	Chandi Mahal	Entity in which Appointed director interested	-	-	81.28	11.03
	Sarojdevi Kabra	Relative of Key Management Personnel	43.04	-	-	-
	Jyothi Kabra	Key Managerial Personal	18.09	240.82	-	-



	Krishna Awtar Kabra	Relative of Key Management Personnel	-	1.07	-	-
	Mayadevi Kabra	Relative of Key Management Personnel	32.00	134.11	-	-
<b>Loans Taken</b>	Kailash Kabra	Key Managerial Personal	9,130.13	46,944.03	17,890.75	20,716.33
	Maya Texturisers Private. Ltd	Entity in which Appointed director interested	-	2.00	16.00	43.95
	Disha Resources Limited	Entity in which Appointed director interested	114.00	654.50	460.00	522.19
<b>Loans Repaid</b>	Kailash Kabra	Key Managerial Personal	6,219.63	49,439.80	14,900.20	22,116.01
	Disha Resources Limited	Entity in which Appointed director interested	503.30	246.08	499.00	743.00
	Maya Texturisers Private. Limited	Entity in which Appointed director interested	5.53	12.91	30.20	7.50
<b>Loan Given</b>	The Goods things in Life	Entity in which Appointed director interested	-	-	2.30	-
	Krishna Awtar Kabra HUF	Entity in which Appointed director interested	3.96	21.35	-	-
<b>Loan Received Back</b>	The Goods things in Life	Entity in which Appointed director interested	-	-	2.30	-
	Krishna Awtar Kabra HUF	Entity in which Appointed director interested	3.96	21.35		
<b>Interest Expenses</b>	Kailash Kabra	Key Managerial Personal	235.08	421.41	260.51	171.19
	Maya Texturisers Private. Limited	Entity in which Appointed director interested	12.06	17.70	17.63	14.58
	Disha Resources Limited	Entity in which Appointed director interested	16.20	28.96	24.95	32.61
<b>Remuneration or Salary Payable</b>	Kailash Kabra	Key Managerial Personnel	3.20	-	1.29	-
	Jyothi Kabra	Key Managerial Personnel	2.00	-	1.20	-
	Rahul Shah	Chief Financial Officer	0.48	-	-	-
<b>Payable for goods</b>	Chandi Mahal	Entity in which appointed director interested	-	-	585.71	-

<b>Outstanding Professional and Consultancy Expenses</b>	Rachana Amit Maheshwari	Relative of Key Managerial Personal	24.19	-	-	-
<b>Outstanding balance of Loan at the year end</b>	Kailash Kabra	Key Managerial Personal	4,589.83	1,467.76	3,584.27	359.26
	Maya Texturisers Private. Limited	Entity in which Appointed director interested	208.21	202.89	197.87	196.20
	Disha Resources Limited	Entity in which Appointed director interested	211.08	585.80	151.32	167.87

**NOTE – CAPITALISATION STATEMENT AS AT November 30, 2024**

(Rs. in lakhs)

<b>Particulars</b>	<b>Pre Issue</b>	<b>Post Issue</b>
<b>Borrowings</b>		
Short term debt (A)	2600.27	2600.27
Long Term Debt (B)	7706.81	7706.81
<b>Total debts (C)</b>	<b>10307.07</b>	<b>10307.07</b>
<b>Shareholders' funds</b>		
Equity share capital	736.00	*
Reserve and surplus - as restated	3250.78	*
<b>Total shareholders' funds</b>	<b>3986.78</b>	*
<b>Long term debt / shareholders' funds</b>	1.93	*
<b>Total debt / shareholders' funds</b>	2.59	*

(\* ) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

## OTHER FINANCIAL INFORMATION

The Audited Financial Statements of our Company for the period ended November 30, 2024 and for the period ended March 31, 2024, March 31, 2023 and March 31, 2022 and their respective Audit reports thereon are available at <https://kkjewels.org/>

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of this Red Herring Prospectus; or (iii) Red Herring Prospectus or (iii) Prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Restated Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	(Rs. In Lakhs)			
	For the period ended November 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Profit After Tax	880.89	939.64	440.58	540.47
Weighted Average Number of Equity Shares at the end	73.60	4.60	4.60	4.60
No. of shares outstanding after Bonus Issue of Shares FY	73.60	73.60	73.60	73.60
Basic & Diluted Earnings per Share	11.97	204.27	95.78	117.49
Basic & Diluted Earnings per Share (Post Bonus)	11.97	12.77	5.99	7.34
Return on Net Worth (%)	22.10%	30.25%	20.34%	31.32%
Net Asset Value Per Share (Rs)	54.17	675.19	470.92	375.14
Net Asset Value Per Share (Rs) – Post Bonus	54.17	42.20	29.43	23.45
Earnings before interest, tax, depreciation and amortization (EBITDA) (₹ In Lakhs)	2,000.61	2182.46	1239.22	1174.40

**STATEMENT OF FINANCIAL INDEBTEDNESS**

Our Company has availed borrowings in the ordinary course of our business. Set forth below is a brief summary of our aggregate outstanding borrowings as on November 30, 2024:

*(Rs. In Lakhs)*

Nature of Borrowing	Amount
Secured Borrowings (A)	4,397.86
Unsecured Borrowings (B)	5,909.20
<b>Total (A+B)</b>	<b>10,307.06</b>

**Details of Secured Borrowings (A):**

*(Rs. In Lakhs)*

Sr No.	Name of Lender	Loan/ Agreement A/c No./Ref. No.	Purpose	Amount Sanctioned (Rs. In Lakhs)	Rate of interest (%)	Primary & Collateral Security	Re-Payment Schedule as per Sanction Letter	Outstanding amount as on March 31, 2024	Outstanding amount as on November 30, 2024
1.	Kotak Mahindra Bank	LP-21924348/1790729	Loan against Property	1075.00	7.00%	(Property ID:P-00249363) -No 4042 PID No 56 25 4042,28th Cross,2nd stage ,Banashankari, Bengaluru ,Karnataka-560070	Repayable in 120 monthly installments of 12,48,167/- started from October 10, 2021	907.24	863.65
2.	Kotak Mahindra Bank	LP-34587605/2662784	Loan against Property	436.00	9.00%	(Property ID:P-00249363) -No 4042 PID No 56 25 4042,28th Cross,2nd stage, Banashankari, Bengaluru, Karnataka-560070	Repayable in 84 monthly installments of 7,01,484/- started from July 10 ,2023	401.27	368.37
3.	Poonawalla Fincorp Limited	Application No.- APPL00331907	Business Loan	495.00	9.00%	Unit No. 112, First Floor, Retail Plaza "ONE 42", Navratna Corporate Park, Off Bopal Ambli Road, Opp Ashok Vatika, Bodakdev, Ahmedabad-380054, Gujarat	Repayable in 180 monthly installments of ₹ 5,02,062/- started from July 5,2023	482.87	--
4.	Ratnaafin Capital	Customer ID-202110580	Loan against Property	507.61	13.50%	Plot No. P-41 (as per Site), (Plot No. 2 as per Layout	Repayable in 120 monthly installments	495.15	477.18

	Private Limited					Plan), Emerald Park, Nr. Jal Manjar, Nr. Shedfa Cros• Road, Village: Shedfa, Ta. Kalol, Dist. Mehsana -1382728. Gujarat	of ₹ 7,72,965/- started from October 10,2023		
5.	HDFC Bank Limited	139904542	Used Car refinance Loan	38.00	As decided at the time of disbursement	-	Repayable in 36 monthly installments of 1,23,941/- started from April 7, 2023.	26.66	18.40
6.	Bank of India Limited	203260510000478	Vehicle Loan	6.22	8.95%	-	Repayable in 36 monthly installments of 19,765/- started from December 9, 2022.	3.68	-
7.	Mahindra & Mahindra Finance Limited	9793495	Vehicle Loan	11.00	As decided at the time of disbursement	-	Repayable in 36 monthly installments of 34,955/- started from March 10, 2024	10.68	8.49
8.	Toyota Financial Service - Innova Loan	TFS20821721466389054	Vehicle Loan	30.00	As decided at the time of disbursement	-	Repayable in 36 monthly installments of 95,469/- started from 20th August, 2024.	-	27.01
9.	HDFC Bank Limited	153232830	Vehicle Loan	7.00	As decided at the time of disbursement	-	Repayable in 48 monthly installments of 17,636/- started from 07th July 2023	-	6.39
10.	HDFC Bank Limited	153228575	Vehicle Loan	7.00	As decided at the	-	Repayable in 48 monthly installments	-	6.39

					time of disbursement		of 17,636/- started from 07th July 2023		
11.	HDFC Bank Limited	141309832	Auto Loan	19.99	As decided at the time of disbursement	-	Repayable in 39 monthly installments of 59,310/- started from June 5, 2023	15.31	11.4
12	HDFC Bank Limited	112482662	Auto Premium Loan	40.00	As decided at the time of disbursement	-	Repayable in 48 monthly installments of 97,700/- started from October 5, 2020	5.73	-
13.	Indusind Bank	650014033163	Working Capital Requirements	950.00	9.25%	Primary - Paripassu charge on hypothecation of current assets  Collateral- 10, Aman villa, next to Swagat green villa ,Hebatpur Road ,Thaltej Ahmedabad	-	940.91	9.26
14.	Axis Bank	917030075565253	Working Capital Requirements	3000.00	8.90%	Primary-Hypothecation of entire current assets and entire Movable Fixed Assets  1. Residential plot at 1, Shilpgram-7, Zone D8, Survey No 186/7 A, Village: Laxampura, Tal:Kadi, Dist: Mahesana Owned by Kailash Satyanarayan Kabra (New Property)	-	2,879.93	2386.69

					<p>2. Residential plot at C-78, Shilpgram-7, Survey No 186/8, Village: Laxampura, Tal:Kadi, Dist: Mahesana Owned by Kailash Satyanarayan Kabra (New Property)</p> <p>3. Commercial property situated at Shop No.17,18,19,20 Bhakti Residency, Bapunagar,Ahmedabad owned by Kailash Kabra.</p> <p>4. Residential property situated at Flat No 14. Wing B. Radiance Residency of TP Scheme no 21.Survey no 206/1 /1/1 situated at Motera.Sabarmoti owned by Kailash Kabra (New property).</p> <p>5. Residential property open Land situated at Survey no 251 /2 and survey no 253.Aaron Sarovor situated at Sanand, Mouje Village Goraj owned by Mrs. Jyothi Kailash Ko bro (New property).</p> <p>6. Shop No 6. Ground Floor, Iscon Center. Nr.Shivranjani Cross Roads, Satellite.</p>		
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						Ahmedabad Owned by company			
15.	Kotak Mahindra Bank	LAP-01478860/1912231 1	Loan against Property	219.00	9.50%	(Property ID:P-00249363) -No 4042 PID No 56 25 4042,28th Cross,2nd stage, Banashankari, Bengaluru ,Karnataka-560070	Repayable in 120 monthly installments of 2,83,381/- starting from August 10, 2024	-	214.55
<b>TOTAL (Fund Based)</b>									<b>4,397.86</b>
<b>TOTAL (Non-fund Based)</b>									<b>-</b>
<b>Grand Total (Fund and Non-fund based)</b>									<b>4,397.86</b>

*As certified by our statutory auditor S. N. Shah & Associates vide certificate dated January 04, 2024*



**Details of Unsecured Borrowings (B):**

**i. UNSECURED LOANS- From Directors/Relative of Director**

*(Rs. In Lakhs)*

Sr No.	Name of Lender	Purpose	Repayment Schedule	Outstanding amount as on March 31, 2024	Outstanding amount as on November 30, 2024
1.	Kailash Kabra	Working Capital requirement	Payable on Demand	1,467.76	4,589.83
<b>TOTAL</b>					<b>4,589.83</b>

*As certified by our statutory auditor S. N. Shah & Associates vide certificate dated January 04, 2024*

**ii. UNSECURED LOANS- From Others**

*(Rs. In Lakhs)*

Sr No.	Name of Lender	Purpose	Repayment Schedule	Outstanding amount as on March 31, 2024	Outstanding amount as on November 30, 2024
1.	Disha Resources Limited	Working Capital Requirements	Payable on Demand	585.80	211.08
2.	Maya Texturies Private Limited	Working Capital Requirements	Payable on Demand	202.89	208.21
3.	SNA Infra Projects Private Limited	Working Capital Requirements	Payable on Demand	13.00	13.00
4.	Samarth Finstock Limited	Working Capital Requirements	Payable on Demand	20.00	20.00
5.	Riddhi Siddhi Gluco Biols Limited	Working Capital Requirements	Payable on Demand	537.95	567.08
6.	Stitched Textiles Limited	Working Capital Requirements	Payable on Demand	-	300.00
<b>TOTAL</b>					<b>1,319.37</b>

*As certified by our statutory auditor S. N. Shah & Associates vide certificate dated January 04, 2024*

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Red Herring Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act. Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

### **BUSINESS OVERVIEW**

Our Company was founded in 2010 in the name and style of "KK Jewels" a proprietorship firm and it is the idea of Mr. Kailash Kabra, a first-generation jeweller. Mr. Kailash Kabra ventured into the world of gems and jewellery at a young age of 21 years. He possesses passion for the industry with the aim of providing customers with the finest quality jewellery that reflects the beauty, tradition and elegance of Indian culture. From the beginning, KK Jewels is committed to provide its customers with a unique and unforgettable shopping experience. KK Jewels is a brand that offers an exquisite collection of fine jewellery at a prominent location in Ahmedabad, Gujarat.

Our company operates in the retail jewellery sector, offering a diverse range of gold, diamond, and silver ornaments and our other offerings include gold and silver coins, utensils and other artifacts. Our Company led by our experienced Promoters and their skilled team, excels in understanding customer preferences and crafting intricate designs to fulfil their needs. Our primary expertise is in designing and we market our exclusive creations under the brand name "KK Jewels". We have a diverse product portfolio includes rings, earrings, pendants, bracelets, chains, necklaces, bangles and other wedding jewellery through which we cater a large number of customers. As on the date of this RHP, Our Company has 6 showrooms under the brand *KK Jewels Bridal*, *KK Jewels Diamond*, *KK Jewels Silver*, *KK Jewels Gold*, *KK Jewels - Atarashi* and *KK Jewels - Silver Studio*, 3 offices and 1 exhibition centre located in the city of Ahmedabad. All of these showrooms are operated and managed by us, and has been taken on rental basis. For further details of our showrooms, office and exhibition centre refer section "Our Business – Our Location" on page no. 140. Our gold, diamond and other jewellery inventory in each showroom reflects customer preferences and designs. Our focus on design and innovation, our ability to recognize consumer preferences and market trends, the intricacy of our designs and the quality of our products are our key strengths.

**Our Key Performance Indicators for the last three Fiscals are as follows:**

**(Rs. in Lakhs except percentages)**

Key Performance Indicator	For the Period ended November 30, 2024	Financial Year 2023-2024	Financial Year 2022-2023	Financial Year 2021-2022
Revenue from Operations	12,527.98	16,400.17	12,227.07	11,208.04
EBITDA	2,000.61	2182.46	1239.22	1174.05
EBITDA Margin (%)	15.97%	13.31%	10.14%	10.48%
PAT	880.89	939.64	440.58	540.47
PAT Margin (%)	7.03%	5.73%	3.60%	4.82%
ROE (%)	22.10%	30.25%	20.34%	31.32%
ROCE (%)	14.14%	18.23%	13.62%	18.26%

**Explanation for KPI metrics**

<b>KPI</b>	<b>Description</b>
Revenue from Operations	Revenue from operations represents the total turnover of the business as well as provides information regarding the year over year growth of our Company
EBITDA	EBITDA provides information regarding the operational efficiency of the business and is considered by the management as an important element to monitor business growth in absolute term irrespective of the sales mix.
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of our business in reference to the turnover.
ROE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds
ROCE (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.

## **FACTORS AFFECTING OUR RESULT OF OPERATIONS**

Except as otherwise stated in this Red Herring Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

- i. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.
- ii. We may not be able to sustain our historical growth rates, and our historical performance may not be indicative of our future growth or financial results.
- iii. The business or financial condition of our customers or the economy generally, or any developments in the Jewellery sector in macro- economic factors, which may affect the rate of growth and the demand for our products;
- iv. Any change in government policies resulting in increases in taxes payable by us.
- v. We have entered into related party transactions in the past and may continue to do so in the future.
- vi. Our ability to retain our Key Management Personnel and other employees.
- vii. Changes in laws and regulations that apply to the industries in which we operate.
- viii. Company's ability to successfully implement its growth strategy and expansion plans.
- ix. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate.
- x. Conflicts of interest with the promoter group and other related parties.
- xi. Failure to successfully upgrade our product portfolio, from time to time.
- xii. Maintaining our brand image and catering to changing consumer preferences.
- xiii. We may face significant competition in our business. An inability to compete effectively may lead to loss of business or reduced operating margins.
- xiv. Price of raw materials procured by job workers and vendors
- xv. Change in taste and preference of consumers

## **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

For details in respect of Statement of Significant Accounting Policies, please refer to the chapter titled "*Restated Financial Statements*" beginning on page 174 of this Red Herring Prospectus.

**RESULTS OF OUR OPERATIONS:**

Particulars	For the period ended November 30, 2024	% of Total Income	For the year ended March 31, 2024	% of Total Income	For the year ended March 31, 2023	% of Total Income	For the year ended March 31, 2022	% of Total Income
Revenue from Operations	12,527.98	99.84	16,400.17	99.85	12,227.07	99.94	11,208.04	99.96
Other Income	20.49	0.16	24.15	0.15	6.95	0.06	4.50	0.04
<b>Total Income</b>	<b>12,548.47</b>	<b>100.00</b>	<b>16,424.32</b>	<b>100.00</b>	<b>12,234.02</b>	<b>100.00</b>	<b>11,212.54</b>	<b>100.00</b>
<b>Expenses</b>								
Purchase of Trading Goods	12,696.93	101.18	15,064.14	91.72	13,951.97	114.04	10,200.67	90.98
Change in Inventories	(3,044.28)	24.26	(2,241.02)	13.64	(3,994.54)	32.65	(886.80)	7.91
Direct Expenses	27.84	0.22	41.45	0.25	30.05	0.25	21.24	0.19
Employee Benefit Expenses	381.63	3.04	567.81	3.46	439.47	3.59	344.40	3.07
Finance Costs	715.07	5.70	819.01	4.99	544.76	4.45	378.28	3.37
Depreciation and Amortization Expenses	95.40	0.76	130.49	0.79	96.66	0.79	63.17	0.56
Administrative Selling & Other Expenses	465.25	3.71	785.33	4.78	560.91	4.58	354.48	3.16
<b>Total expenses</b>	<b>11,337.83</b>	<b>90.35</b>	<b>15,167.21</b>	<b>92.35</b>	<b>11,629.28</b>	<b>95.06</b>	<b>10,475.44</b>	<b>93.43</b>
<b>Restated profit/(Loss) before Exceptional and Extraordinary Item and Tax</b>	<b>1,210.64</b>	<b>9.65</b>	<b>1,257.11</b>	<b>7.65</b>	<b>604.74</b>	<b>4.94</b>	<b>737.10</b>	<b>6.57</b>
Exceptional Item	-	-	-	-	-	-	-	-
<b>Restated profit/(Loss) before Extraordinary Item and Tax</b>	<b>1,210.64</b>	<b>9.65</b>	<b>1,257.11</b>	<b>7.65</b>	<b>604.74</b>	<b>4.94</b>	<b>737.10</b>	<b>6.57</b>
Extraordinary Item	-	-	-	-	-	-	-	-
<b>Restated profit/(Loss) before Tax</b>	<b>1,210.64</b>	<b>9.65</b>	<b>1,257.11</b>	<b>7.65</b>	<b>604.74</b>	<b>4.94</b>	<b>737.10</b>	<b>6.57</b>
Tax Expenses				-				
- Current Tax	319.27	2.54	322.13	1.96	156.46	1.28	182.23	1.63
- Deferred Tax	10.48	0.08	(4.66)	0.03	7.70	0.06	14.41	0.13
- Short /(Excess) provision for Deferred tax of earlier year	-	-	-	-	-	-	-	-
<b>Total Tax Expense</b>	<b>329.75</b>	<b>2.63</b>	<b>317.47</b>	<b>1.93</b>	<b>164.16</b>	<b>1.34</b>	<b>196.64</b>	<b>1.75</b>
<b>Restated profit/(Loss) after Tax</b>	<b>880.89</b>	<b>7.02</b>	<b>939.64</b>	<b>5.72</b>	<b>440.58</b>	<b>3.60</b>	<b>540.46</b>	<b>4.82</b>

## KEY COMPONENTS OF COMPANY'S PROFIT AND LOSS STATEMENT

- i. **Revenue from operations:** Our revenue of operation comprises of sale of products.
- ii. **Other income:** Other income comprises of interest income, discount and rate difference, rent income and profit of sale on asset.
- iii. **Expenses:** Our expenses included purchase of trading goods, change in inventories, direct expenses, employees benefit expenses, Finance costs, depreciation and amortisation expense and administrative selling and other expenses.
- iv. **Purchase of trading goods:** It included purchase and purchase returns.
- v. **Change in Inventories:** Changes in inventories denotes the difference between opening and closing balance of goods traded.
- vi. **Direct expenses:** Direct expense of our company includes electricity charges, testing certification charges, labour expense and jewellery repairing and polish expense.
- vii. **Employee benefits expense:** The employees benefit expenses included salary & wages, contribution to provident & pension/other funds, bonus expenses, staff welfare expenses, gratuity expense and director's salary.
- viii. **Finance cost:** The finance cost denotes bank charges & loan processing fees, interest on loans from NBFC, interest expenses on bank borrowings, other interest expenses and other borrowing cost.
- ix. **Depreciation and amortization expense:** Depreciation includes depreciation on fixed assets.
- x. **Administrative Selling & Other Expenses:** Administrative Selling & Other Expenses includes rent, rates and taxes, display, legal and professional expenses, packaging and exhibition expenses, etc.

### Financial Information for the period ended as on November 30, 2024

#### **Revenues**

##### *Revenue from Operations*

Our company operates in the retail jewellery sector. Net revenue from operations for the period ended November 30, 2024 stood at ₹ 12,527.98 Lakhs which is 99.84% of the total income.

##### *Other Income*

Other Income for the Period ended November 30, 2024 stood at ₹ 20.49 Lakhs consisting of 0.16% of total income. The main component of other income comprises of discount and rate difference and rent income.

#### **Expenditures**

##### *Total Expenses*

Our total expenses comprise of purchase of trading goods, employee benefits expenses, finance costs, direct expenses, and other expenses. Total Expenses for the Period ended November 30, 2024 stood at ₹ 11,337.83 Lakhs which is 90.35% of the total income

##### *Purchase of Trading Goods*

Our cost for Purchase of trading goods stood at ₹ 12,696.93 lakhs for the period ended November 30, 2024 which is 101.18% of the total income.

##### *Change in Inventories*

For the period ended November 30, 2024 the change in inventories of our Company stood at ₹ (3,044.28) Lakhs.

##### *Direct Expenses*

For the period ended November 30, 2024 the direct expenses of our Company stood at ₹ 27.84 Lakhs which was primarily due to increase in electricity charges, testing certification charges, labour expenses and jewellery repairing and polishing expenses.

##### *Employee Benefit Expenses*

The employee benefits expense was ₹381.63 lakhs which is 3.04% of the total income for the period ended November 30, 2024 based on Restated Financial Information, primarily attributable to salaries, Contribution to

Provident & Pension/Other Funds, directors' salaries, Bonus Expenses, Welfare staff expenses and gratuity for our employees.

#### Finance Costs

Finance Cost for the period ended November 30, 2024 based on Restated Financial Information, primarily attributable to depreciation on property, plant and equipment stood at ₹ 715.07 Lakhs which is 5.70% of the total income.

#### Depreciation and Amortization

The Depreciation and Amortization Expenses for the Period ended November 30, 2024 stood at ₹ 95.40 Lakhs which is 0.76% of the total income

#### Administrative Selling & Other Expenses

The Administrative Selling & other expenses were ₹465.25 lakhs for the period ended November 30, 2024 based on Restated Financial Information, primarily due to rent, rate and taxes, legal and professional fees, display, packaging expenses & exhibition expenses.

### **Profit and Taxes**

#### Restated profit/(loss) before tax

In line with above discussions, the restated profit before tax for the period ended November 30, 2024 stood at ₹ 1,210.64 Lakhs

#### Tax Expenses

Our total tax expense was ₹329.75 lakhs for the period ended November 30, 2024 comprising of current income tax and deferred tax credit. During the period ended November 30, 2024, we incurred current tax expenses of ₹319.27 lakhs and deferred tax credit of ₹10.48 lakhs.

#### Restated profit/(loss) after tax

The Restated profit after tax for the Period ended November 30, 2024 stood at ₹ 880.89 lakhs.

### **Financial year 2024 compared with financial year 2023**

#### Total Income

Total income for the financial year 2023-24 was ₹ 16,424.32 Lakhs whereas in financial year 2022-23 it was ₹ 12,234.02 Lakhs representing an increase of 34.25%. The reason of such increase was due to increase in the volume of sales of our products, increase in discount and rate difference and increase in rental income of the Company. The total income consists of revenue from operations and other income.

#### Revenue from Operations

During the financial year 2023-24 the net revenue from operation of our Company increased to ₹ 16,400.17 Lakhs as against ₹ 12,227.07 Lakhs in the financial year 2022-23 representing an increase of 34.13% which was due to increase in the volume of sale of products by the Company.

In the FY 21-22, the company was having sales of Rs. 11,208.04 lakhs from 2 showrooms. In FY 2022-23, the company had started operations in 5 showrooms in total which led to increase in sales to Rs. 12,227.07 lakhs. With full operations of these showrooms and addition of 2 more showrooms (7 in total), revenue from operations increased to Rs. 16,400.17 lakhs in FY 2023-24. An uptick in consumer spending, driven by improving economic conditions, higher disposable incomes, and rising purchasing power, often results in more discretionary spending on luxury items like jewellery. This directly translates into higher revenue.

#### Other Income

During the financial year 2023-24 the other income of our Company increased to ₹ 24.15 Lakhs as against ₹ 6.95 lakhs in the financial year 2022-23 representing an increase of 247.58% which was due to increase in discount and rate difference, rent income and profit on sale of asset.

#### Purchase of Purchase of Trading Goods

During the financial year 2023-24 the purchase of trading goods of our Company increased to ₹ 15,064.14 Lakhs as against ₹ 13,951.97 Lakhs in the financial year 2022-23 representing an increase of 7.97% which was due to increase in the purchase of products.

#### Change in Inventories

During the financial year 2023-24 the change in inventories of our Company decreased to ₹ (2,241.02) Lakhs as against ₹ (3,994.54) lakhs in the financial year 2022-23 representing a decrease of 43.90% which was due to strategic inventory management in response to sales trends.

#### Direct Expenses

During the financial year 2023-24 the employee benefit expenses of our Company increased to ₹ 41.45 Lakhs as against ₹ 30.05 lakhs in the financial year 2022-23 representing an increase of 37.95% which was primarily due to increase in electricity charges, labour expenses and jewellery repairing and polishing expenses.

#### Employee Benefit Expenses

During the financial year 2023-24 the employee benefit expenses of our Company increased to ₹ 567.81 Lakhs as against ₹ 439.47 lakhs in the financial year 2022-23 representing an increase of 29.20% which reflects our investment in human resources to support business expansion.

#### Finance Costs

During the financial year 2023-24 the finance cost of our Company increased to ₹ 819.01 Lakhs as against ₹ 544.76 in the Financial year 2022-23 representing increase of 50.34% which was due to increase in Loan and Borrowings and increase in interest expenses.

#### Depreciation and Amortization Expenses

During the financial year 2023-24 the depreciation of our company increased to ₹ 130.49 Lakhs as against ₹ 96.66 Lakhs during the financial year 2022-23 representing increase of 34.99%.

#### Administrative selling and Other Expenses

During the financial year 2023-24 the administrative, selling and other expenses of our company increased to ₹ 785.33 Lakhs as against ₹ 560.91 Lakhs during the financial year 2022-23. The increase in other expenses was 40.01% which was due to increase in display, packaging and exhibition expenses, increase in rent, rates and taxes and discount expenses.

#### Restated profit/(loss) before tax

During the financial year 2023-24 the Profit before tax increased to ₹ 1,257.11 Lakhs as against ₹ 604.74 Lakhs during the financial year 2022-23. The increase in Profit before tax was around 107.87% which was due to the increase in sales and revenue.

#### Tax Expenses

During the financial year 2023-24 tax expenses of our company increased to ₹ 317.47 Lakhs as against ₹ 164.16 Lakhs during the financial year 2022-23.

#### Restated profit/(loss) after tax

As a result of the foregoing factors, our profit after tax for the year increase by ₹ 113.27% from net profit of ₹ 939.64 Lakhs in financial year 2023-24 to net profit ₹ 440.58 lakhs in financial year 2022-23.

(Rs. In Lakhs)

Particulars	FY 2021-22	FY 2022-23	FY 23-24
Revenue from Operations	11,208.04	12,227.07	16,400.17

Cost of Material Consumed (A)	10,200.67	13,951.97	15,064.14
Change in Inventories (B)	(886.80)	(3,994.54)	(2,241.02)
<b>Effective cost of material consumed (A + B)</b>	<b>9,313.86</b>	<b>9,957.43</b>	<b>12,823.12</b>
<b>Effective cost of material consumed to Sales</b>	<b>83.10%</b>	<b>81.44%</b>	<b>78.19%</b>
PAT	540.46	440.58	939.64
PAT Margin (%)	4.82	3.60	5.73
No. of Showrooms	2	5	7

#### Rationale for Increase in PAT and PAT Margin

- The company opened three dedicated showrooms during the financial year 2022-23 and two new showrooms in the financial year 2023-24.
- The effect of opening dedicated showrooms enabled the company to satisfy the demand of various segments of customers (both high-end and low-end value customers) resulting in a change in product mix and customer mix of the jewellery sold. Thereby, increase in sale of high-end products with focus towards bridal products led to increase in PAT and in turn PAT margin.
- Due to the above change in the product mix and customer mix, the cost of raw material {(cost of material consumed+ change in inventories)/Sales} reduced from 81.44% in the financial year 2022-23 to 78.19% in the financial year 2023-24. This resulted in a direct increase in PAT to the tune of Rs. 4.99 crore in FY 2023-24 as compared to FY 2022-23, resulting in an overall PAT of Rs. 9.40 crores.

#### PAT Margin

Due to aforementioned reasons the PAT Margin of the Company increased from 3.60 in FY 2023 to 5.73 in FY 2024.

#### **Financial year 2023 compared with financial year 2022**

##### Total Income

Total income for the financial year 2022-23 was ₹ 12,234.02 Lakhs whereas in financial year 2021-22 it was ₹ 11,212.54 Lakhs representing an increase of 9.11% which was due to increase in the volume of sale of products by the Company. The total income consists of revenue from operations and other income.

##### Revenue from Operations

During the financial year 2022-23 the revenue from operation of our Company increased to ₹ 12,227.07 Lakhs as against ₹ 11,208.04 Lakhs in the Financial Year 2021-22 representing an increase of 9.09% which was due increase in the volume of sale of products by the Company.

In the FY 21-22, the company was having sales of Rs. 11,208.04 lakhs from 2 showrooms. In FY 2022-23, the company had started operations in 5 showrooms in total which led to increase in sales to Rs. 12,227.07 lakhs. With full operations of these showrooms and addition of 2 more showrooms (7 in total), revenue from operations increased to Rs. 16,400.17 lakhs in FY 2023-24. An uptick in consumer spending, driven by improving economic conditions, higher disposable incomes, and rising purchasing power, often results in more discretionary spending on luxury items like jewellery. This directly translates into higher revenue.

##### Other Income

During the financial year 2022-23 the other income increased to ₹ 6.95 Lakhs as against ₹ 4.50 Lakhs in the Financial Year 2021-22 representing an increase of 54.37 % which was due to increase in discount and interest income.

##### Purchase of Trading Goods

During the financial year 2022-23 the purchase of stock in trade of our Company increased to ₹ 13,951.97 Lakhs as against ₹ 10,200.67 Lakhs in the financial year 2021-22 representing an increase of 36.78% which was due to increase in the purchase of products.



### Change in Inventories

During the financial year 2022-23 the inventory of our company was increased to ₹ (3,994.54) Lakhs as against Rs. (886.80) lakhs in the financial year 2021-22 representing an increase of 350.54% which was due to strategic inventory management in response to sales trends.

### Direct Expenses

During the financial year 2022-23 the employee benefit expenses of our Company increased to ₹ 30.05 Lakhs as against ₹ 21.24 lakhs in the financial year 2021-22 representing an increase of 41.45% which was primarily due to increase in electricity charges and labour expenses.

### Employee Benefit Expenses

During the financial year 2022-23 the employee benefit expenses of our Company increased to ₹ 439.47 Lakhs as against ₹ 344.40 lakhs in the financial year 2021-22 representing an increase of 27.60% which reflects our investment in human resources to support business expansion.

### Finance Costs

During the financial year 2022-23 the finance cost of our Company increased to ₹ 544.76 Lakhs as against ₹ 378.28 in the financial year 2021-22 representing decrease of 44.01% which was due to increase in interest expense on bank borrowings and other borrowing costs.

### Depreciation and Amortization Expenses

During the financial year 2022-23 the depreciation of our company increased to ₹ 96.66 Lakhs as against ₹ 63.17 Lakhs during the financial year 2021-22. The increase in depreciation was around 53.03% which was due to addition in assets.

### Administrative Selling and Other Expenses

During the financial year 2022-23 the administrative, selling and other expenses of our company increased to ₹ 560.91 Lakhs as against ₹ 354.48 Lakhs during the financial year 2021-22. The increase in other expenses was around 58.24% which was due to increase in display, packaging and exhibition expenses, increase in rent, rates and taxes and sales promotion expenses.

### Restated profit/(loss) before tax

During the financial year 2022-23 the Profit before tax decreased to ₹ 604.74 Lakhs as against ₹ 737.10 Lakhs during the financial year 2021-22. The decrease in Profit before tax was around 17.96 % which was due to increase in expenditure.

### Tax Expenses

During the financial year 2022-23 tax expenses of our company decreased to ₹ 164.16 Lakhs as against ₹ 196.64 Lakhs during the financial year 2021-22.

### Restated profit/(loss) after tax

As a result of the foregoing factors, our profit after tax for the year decreased by 18.48% from net profit of ₹ 440.58 Lakhs in financial year 2022-23 to net profit Rs. 540.46 lakhs in financial year 2021-22.

With increase in revenue from operations, the company was able to achieve high scale of economy leading to spread of fixed costs. This has led to increase in profitability year on year. PAT of the company has increased from Rs. 440.58 lakhs in FY 2022-23 to Rs. 939.64 lakhs in FY 2023-24. This is mainly due to full fledge working of all 5 showrooms in FY 2023-24 out of which 3 were started in FY 2022-23. The company has also started operations from 2 more showrooms in FY 2023-24. With introduction of designs and displaying of more products in the showroom, and increasing trend of prices in gold and other jewellery, there has been increase in revenue from operations resulting in increase in PAT of the company.

## Cash Flows

(Amount ₹ in lakhs)

Particulars	For the year ended March 31		
	2024	2023	2022
Net Cash from Operating Activities	1,581.04	(1,243.81)	221.14
Net Cash from Investing Activities	(239.07)	(282.37)	(696.84)
Net Cash used in Financing Activities	(1,202.32)	1,538.64	457.38

### Cash Flows from Operating Activities

Net cash from operating activities for financial year 2023-24 was at 1,581.04 lakhs as compared to the Profit Before Tax at ₹ 1257.11 lakhs while for financial year 2022-23 net cash from operating activities was at ₹ (1,243.81) lakhs as compared to the Profit Before Tax at ₹ 604.74. This was primarily due to start of operations in new showrooms established by the company.

Net cash from operating activities for financial year 2022-23 was at (1,243.81) lakhs as compared to the Profit Before Tax at ₹ 604.74 lakhs while for financial year 2021-22 net cash from operating activities was at ₹ 221.14 lakhs as compared to the Profit Before Tax at ₹ 737.10 Lakhs.

Net cash from operating activities for financial year 2021-22 was at ₹ 221.14 lakhs as compared to the Profit Before Tax at ₹ 737.10 lakhs.

### Cash Flows from Investment Activities

In the financial year 2023-24, the net cash from investing activities was ₹ (239.07) lakhs. This was mainly due to Purchase of fixed assets and interest income.

In the financial year 2022-23, the net cash from investing activities was ₹ (282.37) lakhs. This was on due to Purchase of fixed assets and interest income.

In the financial year 2021-22, the net cash from investing activities was ₹ (696.84) lakhs. This was on due to Purchase of fixed assets and interest income.

### The details are as under (Year-wise)

(Amount ₹ in lakhs)

Particulars	2024	2023	2022
Purchase of Fixed Assets	(258.65)	(293.16)	(701.34)
Sale of Property, Plants and Equipment	4.05	4.00	-
Interest income	15.53	6.79	4.50
Net cash from investing activities	(239.07)	(282.37)	(696.84)

### Cash Flows from Financing Activities

In the financial year 2023-24, the net cash from financing activities was ₹ (1,202.32) lakhs. This was on account of repayment of long term borrowings and increase in interest and finance cost.

In the financial year 2022-23, the net cash from financing activities was ₹ 1,538.64 lakhs. This was on account of proceeds from long term borrowings and increase in interest and finance cost.

In the financial year 2021-22, the net cash from financing activities was ₹ 457.38 lakhs. This was on account of proceeds from long term borrowings and increase in interest and finance cost.

### The details are as under: (Year-wise)

(Amount ₹ in lakhs)

Particulars	2024	2023	2022
Interest and finance cost	(819.01)	(544.76)	(378.28)
Proceeds/(repayment) from Long Term Borrowings (Net)	(383.31)	2083.40	835.67
Net cash flow from financing activities	(1202.32)	1538.64	457.38

## **OTHER MATTERS**

### *Unusual or infrequent events or transactions*

There has not been any unusual trend on account of our business activity. Except as disclosed in this Red Herring Prospectus there are no unusual or infrequent events or transactions in our Company.

### *Significant economic changes affecting income from continuing operations*

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

### *Known trends or uncertainties impacting sales, revenue, or income*

Apart from the risks as disclosed under Section “Risk Factors” beginning on page 26 of the Red Herring Prospectus in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

### *Future changes in the relationship between costs and revenues*

Other than as described in the sections “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on pages 26, 109 and 213 respectively of this Red Herring Prospectus to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Increases in our revenues are by and large linked to increases in the volume of business.

### *Total turnover of each major industry segment in which our Company operates*

Our business activity primarily falls within a single business segment i.e. Gems and Jewellery segment, as disclosed in “Restated Financial Statements” on page 174 of this Red Herring Prospectus, we do not follow any other segment reporting.

### *Status of any publicly announced New Products or Business Segment*

Except as disclosed in the Chapter “Our Business”, on page 109 of this Red Herring Prospectus our Company has not announced any new product or service.

### *Seasonality of business*

Our business is subject to seasonality. For further details, refer to the chapter titled “Risk factors” on page 26 of Red Herring Prospectus.

### *Any significant dependence on a single or few suppliers or customers*

Our Company is significantly dependent on a few suppliers. For further details, refer to the chapter titled “Risk factors” on page 26 of Red Herring Prospectus.

### *Competitive Condition*

Our Industry is fragmented consisting of large established players and small niche players. We compete with organized as well as unorganized sector on the basis of availability of product, price and product range. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. Industry is very competitive and we expect competition to continue and likely to increase in the future.

## **SIGNIFICANT DEVELOPMENTS AFTER MARCH 2024**

After the date of last Balance sheet i.e., March 31, 2024, the following material events have occurred after the last audited period:

1. Our Company was converted from Kabra Jewels Private Limited to Kabra Jewels Limited on August 05, 2024.
2. Our Company has issued bonus shares which was approved by the Board of the Directors on July 13, 2024 and by shareholder of the Company on August 06, 2024.
3. The Company has approved the Restated Financial Statements for the financial year ending March 31, 2024, March 31, 2023, and March 31, 2022 in the Board meeting dated August 26, 2024.
4. The Company has approved the Restated Financial Statements for the period ended November 30, 2024 on January 03, 2025.
5. The issue has been authorized by our Board of Directors pursuant to a resolution passed at its meeting held on August 09, 2024 and by our Shareholders pursuant to a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting held on August 13, 2024 to raise funds by making an Initial Public Offering.
6. Our Company has approved the Draft Red Herring Prospectus vide resolution in the Board Meeting dated September 12, 2024.
7. Our Company has approved the Red Herring Prospectus vide resolution in the Board Meeting dated January 07, 2025.
8. Received in-principle approval letter dated December 26, 2024 from National Stock Exchange of India Limited for the SME IPO through book-built issue.

### CAPITALISATION STATEMENT

<b>Particulars</b>	<b>Pre-Issue</b>	<b>Post Issue*</b>
<b>Borrowings</b>		
Short term debt (A)	2,600.27	[●]
Long Term Debt (B)	7,706.81	[●]
<b>Total debts (C)</b>	<b>10,307.07</b>	[●]
<b>Shareholders' funds</b>		
Equity share capital	736.00	[●]
Reserve and surplus - as restated	3,250.78	[●]
<b>Total shareholders' funds</b>	<b>3,986.78</b>	[●]
<b>Long term debt / shareholders' funds</b>	1.93	[●]
<b>Total debt / shareholders' funds</b>	2.59	[●]

\*The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

**Notes:**

1. Short term Debts represent which are expected to be paid/payable within 12 months.
2. Long term Debts represent debts other than Short Term Debts as defined above.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/03/2024.

## **SECTION VII – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

#### **SECTION X – LEGAL AND OTHER INFORMATION**

*Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Red Herring Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Red Herring Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Red Herring Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Red Herring Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.*

*For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in Red Herring Prospectus:*

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;*
- b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 5% of the profit after tax of the Company, as per the last restated audited standalone financial statements of the Company for a complete financial year i.e. F.Y. 2023-24; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company and as required under the SEBI Regulations have been disclosed on our website at <https://kkjewels.org/>*
- c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

*Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

**OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, AND PROMOTERS**

**PART 1: LITIGATION RELATING TO OUR COMPANY**

**A. FILED AGAINST OUR COMPANY**

- 1) **Litigation involving Criminal Laws**  
NIL
- 2) **Litigation Involving Actions by Statutory/Regulatory Authorities**  
NIL
- 3) **Disciplinary Actions by Authorities**  
NIL
- 4) **Litigation involving Tax Liability**

**Indirect Tax:**

Sr. No	Entity and GSTIN	Name of Authority	Notice /Demand Order Id & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
1.	Kabra Jewels Private Limited GSTIN: 24AAECK0377M 1ZD (Ahmedabad)	Sales Tax Officer, Ghatak 9, Ahmedabad	Intimation of tax (Form GST DRC-01A): ZD240624041224 S dated June 13, 2024  Show Cause Notice ref. No. ZD240724009431 R dated July 03, 2024  Period: April 2020 till March 2021	Show Cause notice issued u/s. 73 of the GST Act for short payment of tax and excess ITC claimed and discrepancies in GSTR 2, 2A, 3B and 9	Tax demand of Rs. 1,98,59,932/- (Tax: Rs. 1,11,84,811/-; Interest charged Rs. 75,56,639/-; Penalty on default: Rs. 11,18,482/-)	The matter is pending for submission of reply by the assessee
2.	Kabra Jewels Private Limited GSTIN: 24AAECK0377M 1ZD (Ahmedabad)	Sales Tax Officer, Ghatak 9, Ahmedabad	Intimation of tax (Form GST DRC-01A): ZD240624041259 F dated June 13, 2024  Show Cause Notice ref. No. ZD240724009424 M dated July 03, 2024	Show Cause notice issued u/s. 74 of the GST Act for ineligible ITC as per section 16(2) claimed from cancelled taxpayers, non-genuine and non-existent Taxpayers and return/ tax defaulters	Tax demand of Rs. 3,50,845/- (Tax: Rs. 1,93,222/-; Interest charged Rs. 1,28,639/-; Penalty on default: Rs. 28,984/-)	The matter is pending for submission of reply by the assessee

Sr. No	Entity and GSTIN	Name of Authority	Notice /Demand Order Id & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
			Period: April 2020 till March 2021			

**Direct Tax:**

**a. Pending Liability in TDS:**

As per details available on the TRACES an aggregate outstanding amount of Rs. 43,643/- is determined to be paid from Previous years till 2023-24 against **M/s. Kabra Jewels Private Limited** (hereinafter referred to as the “Assessee”) as default on account of short payment and short deduction of taxes and interest thereon on payment defaults and late filing fees u/s 201, 234E and interest us. 201 of the Income Tax Act. Although no action in respect of recovery of same has been taken by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable

**b. A.Y. 2017-18:**

M/s. Kabra Jewels Private Limited (hereinafter referred to as the “Assessee”) had been issued with a notice dated March 28, 2024 issued u/s. 148A(b) of the Income Tax Act, 1961 based on the information available with the Assessing officer which suggests that the income chargeable to tax for the A.Y. 2017-18, has escaped assessment, in accordance with the risk management strategy formulated by the Board from time to time. In accordance with the information received from the DDIT-(Inv.), Unit-2(2), Ahmedabad, assessee was alleged of having entered into various financial transactions during the F.Y. 2016-17 relevant to A.Y. 2017-18. As alleged, subsequent to the issue of the aforementioned notice, the assessee herein failed to respond pursuant to which the concerned authority herein alleged the assessee of having escaped the assessment of income to the tune of Rs. 178,07,79,003/- for the A.Y. 2017-18. Further after having noted that the issues under consideration were never examined and nor discussed by the AO during the course of scrutiny assessment proceedings, an order bearing no. ITBA/AST/F/148A/2024-25/1064337585(1) dated April 24, 2024, was passed by the Deputy Commissioner of Income tax, for re-opening the assessment u/s. 147 of the Act and for issuance of notice u/s. 148. Subsequent to the order, the assessee herein has been issued with a notice bearing no. ITBA/AST/S/148\_1/2024-25/1064338115(1) dated April 24, 2024 under the provisions of section 148 of the Act, and proceedings under the same are pending.

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. CASES FILED BY OUR COMPANY**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

Indirect Tax: NIL

Direct Tax: NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL



## **PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY**

### **A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER**

- 1) Litigation involving Criminal Laws**  
NIL
- 2) Litigation Involving Actions by Statutory/Regulatory Authorities**  
NIL
- 3) Disciplinary Actions by Authorities**  
NIL
- 4) Litigation involving Tax Liability**  
Indirect Tax: NIL  
Direct Tax: As mentioned below.

#### **KAILASH SATYANARAYAN KABRA (Promoter and Managing Director)**

**1. A.Y. 2023-24:**

Mr. Kailash Satyanarayan Kabra (hereinafter referred to as the “Assessee”) have been issued with an intimation bearing no. ITBA/AST/S/61/2024-25/1065769554(1) dated June 19, 2024 for the A.Y. 2023-24, intimating the assessee of its selection for the purpose of faceless assessment/re-assessment in accordance with the procedure laid down in section 144B of the Income Tax Act,1961 and have subsequently been issued with a notice u/s. 142(1) of the Act requiring the assessee to submit certain documents including financial statements, bank statements audit reports and like for the period and the assessment is pending.

#### **JYOTHI KAILASH KABRA (Promoter and Director)**

**1. A.Y. 2023-24:**

Mrs. Jyothi Kailash Kabra (hereinafter referred to as the “Assessee”) have been issued with an intimation bearing no. ITBA/AST/S/61/2024-25/1066147180(1) dated June 27, 2024 for the A.Y. 2023-24, intimating the assessee of its selection for the purpose of faceless assessment/re-assessment in accordance with the procedure laid down in section 144B of the Income Tax Act,1961 and have subsequently been issued with a notice u/s. 142(1) of the Act requiring the assessee to submit certain documents including financial statements, bank statements audit reports and like for the period and the assessment is pending.

- 5) Other Pending Litigation based on Materiality Policy of our Company**  
NIL

### **B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTER**

- 1) Litigation involving Criminal Laws**  
NIL
- 2) Litigation Involving Actions by Statutory/Regulatory Authorities**  
NIL
- 3) Disciplinary Actions by Authorities**  
NIL
- 4) Litigation involving Tax Liability**  
Indirect Tax: NIL  
Direct Tax: NIL

- 5) **Other Pending Litigation based on Materiality Policy of our Company**  
NIL

### **PART 3: LITIGATION RELATING TO OUR GROUP COMPANIES**

#### **A. LITIGATION AGAINST OUR GROUP COMPANIES**

- 1) **Litigation involving Criminal Laws**  
NIL
- 2) **Litigation Involving Actions by Statutory/Regulatory Authorities**  
NIL
- 3) **Disciplinary Actions by Authorities**  
NIL
- 4) **Litigation involving Tax Liability**  
Indirect Tax: NIL  
Direct Tax: As mentioned below.

#### **M/s. Maya Texturisers Private Limited.**

**a. Pending Liability in TDS:**

As per details available on the TRACES an aggregate outstanding amount of Rs. 1,42,743/- is determined to be paid for Previous years against M/s. Maya Texturisers Private Limited (hereinafter referred to as the "Assessee") as default on account of short payment and short deduction of taxes and interest thereon on payment defaults and late filing fees u/s 201, 234E and interest us. 201 of the Income Tax Act. Although no action in respect of recovery of same has been taken by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable.

#### **M/s. Disha Resources Limited:**

**a. Pending Liability in TDS:**

As per details available on the TRACES an aggregate outstanding amount of Rs 3,081/- is determined to be paid from Previous years till 2020-21 against M/s. Disha Resources Limited (hereinafter referred to as the "Assessee") as default on account of interest on payment defaults and late filing fees u/s 234E of the Income Tax Act. Although no action in respect of recovery of same has been taken by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable.

**b. A.Y. 2013-14**

M/s. Disha Resources Limited (hereinafter referred to as the "Assessee") had been issued with an order bearing no. ITBA/AST/S/147/2021-22/1035467384(1) dated September 10, 2021 issued u/s. 147 of the Income Tax Act, 1961, making an addition of Rs. 26,25,000/- to the returned income of Rs. 9,16,920/- for the A.Y. 2013-14 by way of disallowance of certain donations, thus raising a demand notice vide identification no. 2021201337002416960C for an amount of Rs. 17,86,880/- (Rs. 10,54,827/- towards tax and Rs. 7,32,037/- towards interest calculated under the provisions of Section 234A, 234B & 234C. Aggrieved by the aforementioned order, the assessee herein filed an appeal before the Joint Commissioner (Appeals) or the Commissioner of Income –Tax (Appeals) vide acknowledgement no. 649528080071021 dated October 07, 2021 and the same is pending vide Appeal Reference Number: CIT (A), Ahmedabad- 12/10204/2012-13. A separate penalty proceedings were initiated against the assessee vide show cause notice bearing no. ITBA/PNL/S/271(1)(c)/2021- 22/1035467514(1) and dated September 10, 2021 issued u/s. 271(1)(c) had been dropped vide dropping order bearing no. ITBA/PNL/F/271(1)(d)\_1/2021- 22/1035627296(1) dated September 16, 2021 issued u/s. 271(1)(d) of the Act. However as per details available on the website of the Income Tax Department, an amount of Rs. 9,64,990/- in addition to an interest of Rs. 14,24,856/- is pending to be paid by the assessee.

**c. A.Y. 2014-15**

M/s. Disha Resources Limited (hereinafter referred to as the “Assessee”) had been issued with an order bearing no. ITBA/AST/S/147/2021-22/1035467516(1) dated September 10, 2021 issued u/s. 147 of the Income Tax Act, 1961, making an addition of Rs. 29,75,000/- to the returned income of Rs. 8,45,050/- for the A.Y. 2014-15 by way of disallowance of certain donations, thus raising a demand notice vide identification no. 2021201437002417012C for an amount of Rs. 15,06,240/- (Rs. 26,990/- amount already refunded vide identification no. 2021201437002417012C, Rs. 7,49,429/- being demand for the income added; Rs. 7,29,816/- towards interest u/s. 234A & 234B). Aggrieved by the aforementioned order, the assessee herein filed an appeal before the Joint Commissioner (Appeals) or the Commissioner of Income –Tax (Appeals) vide acknowledgement no. 649670190071021 dated October 07, 2021 and the same is pending vide Appeal Reference Number: CIT (A), Ahmedabad- 12/10387/2013-14. A separate penalty proceedings were initiated against the assessee vide show cause notice bearing no. ITBA/PNL/S/271(1)(c)/2021- 22/1035467637(1) and dated September 10, 2021 issued u/s. 271(1)(c) had been dropped vide dropping order bearing no. ITBA/PNL/F/271(1)(d)\_1/2021-22/1035627334(1) dated September 16, 2021 issued u/s. 271(1)(d) of the Act. However as per details available on the website of the Income Tax Department, an amount of Rs. 14,79,250/- in addition to an interest of Rs. 2,21,880/- is pending to be paid by the assessee vide demand identification no. 2021201437002417012C. Further refund already issued for an amount of Rs. 26,990/- in addition to an interest of Rs. 4,035/- has also been demanded back vide demand identification no. 2021201437002417012C and the same is pending.

**d. A.Y. 2017-18:**

As per details available on the website of the Income Tax Department M/s. Disha Resources Limited (hereinafter referred to as the “Assessee”) have been issued with a demand notice bearing no. 2023201740415576363C dated March 01, 2024 passed u/s. 154 of the Income Tax Act, 1961, raising a demand of Rs. 95,897/- for the A.Y. 2017-18 and the same has been disputed by the assessee and is pending.

**e. A.Y. 2018-19:**

As per details available on the website of the Income Tax Department M/s. Disha Resources Limited (hereinafter referred to as the “Assessee”) have been issued with a demand notice bearing no. 2019201837032191044C dated July 02, 2019 passed u/s. 143(1)(a) of the Income Tax Act, 1961, raising a demand of Rs. 7,61,380/- in addition to an interest of Rs. 3,12,133/- for the A.Y. 2018-19 and the same has been disputed by the assessee and is pending.

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS**

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

#### **PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the date of this Red Herring Prospectus in the case of our Company, Promoter, Directors. There have been no prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last five years immediately preceding the date of this Red Herring Prospectus.

#### **OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the Red Herring Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

#### **PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

#### **NON-PAYMENT OF STATUTORY DUES**

As on the date of the RHP there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

#### **MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this RHP.

#### **DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoters, nor Group Companies and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

#### **DISCLOSURES PERTAINING TO FRAUDULENT BORROWER**

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

#### **MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 213 there have been no material developments that have occurred after the Last Balance Sheet Date.

#### **OUTSTANDING DUES TO CREDITORS**

There are no disputes with entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors with outstanding amount as on November 30, 2024:

<b>Particulars</b>	<b>Balance as on November 30, 2024 (Rs. in Lacs)</b>
Total Outstanding dues to Micro and Small & Medium Enterprises	563.43
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	1,400.62

As at November 30, 2024, there are four material creditors to whom our Company owed an amount of ₹ 647.35 lakhs. The details pertaining to outstanding dues towards our material creditors are available on the website of our Company at <https://kkjewels.org/>

## **GOVERNMENT AND OTHER APPROVALS**

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Red Herring Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:*

### **A. Approvals in relation to Our Company's incorporation**

<b>Sr. No.</b>	<b>Nature of Registration</b>	<b>CIN</b>	<b>Applicable Laws</b>	<b>Issuing Authority</b>	<b>Date of Issue</b>	<b>Date of Expiry</b>
1.	Certificate of Incorporation	U52393GJ2010PTC061692	Companies Act, 1956	Registrar of Companies, Gujarat and Dadar and Nagar Haveli	July 21, 2010	Valid until Cancelled
2.	Fresh Certificate of Incorporation Consequent upon Change of Name	U52393GJ2010PTC061692	Companies Act, 1956	Registrar of Companies, Gujarat and Dadar and Nagar Haveli	June 28, 2012	Valid until Cancelled
3.	Fresh Certificate of Incorporation Consequent upon Change of Name	U52393GJ2010PLC061692	Companies Act, 2013	Registrar of Companies, Central Processing Centre	August 05, 2024	Valid until Cancelled

### **B. Approvals in relation to the Issue**

#### ***Corporate Approvals***

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on August 09, 2024 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1)(c) of the Companies Act, 2013.
2. Our Shareholders have, pursuant to a resolution dated August 13, 2024 under Section 62(1)(c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated September 12, 2024 authorized our Company to take necessary action for filing the Red Herring Prospectus/Prospectus as the case may be with the NSE EMERGE.

#### ***Approvals from Stock Exchange***

1. Our Company has received in - principle listing approval from the NSE EMERGE dated December 26, 2024 reference no. NSE/LIST/4529 for listing of Equity Shares issued pursuant to the issue.

**Other Approvals**

1. The Company has entered into a tripartite agreement dated June 11, 2024 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Cameo Corporate Services Limited, for the dematerialization of its shares.
2. The Company has entered into a tripartite agreement dated June 12, 2024 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Cameo Corporate Services Limited, for the dematerialization of its shares.

**C. Approvals/Licenses/Permissions in relation to our Business**

**Tax Related Approvals:**

Sr. No.	Description	Address of Place of Business /Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	-	AAECK0377M	Income Tax Department	July 21, 2010	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	-	AHMK05715D	Income Tax Department	July 12, 2024	Valid till Cancelled
3.	Professions Tax Registration Certificate (P.T.R.C.)	M/s. Kabra Jewels Private Limited, 6 Ishcon Centre, Setelite Jodhpur Gam, 380015	PRC010748000148	Profession Tax Department, Amdavad Municipal Corporation	April 10, 2023	Valid till Cancelled
4.	Professions Tax Enrollment Certificate (P.T.E.C.)	M/s. Kabra Jewels Private Limited, 6 Ishcon Centre, Setelite Jodhpur Gam, 380015	PEC010748000692	Profession Tax Department, Amdavad Municipal Corporation	April 10, 2023	Valid till Cancelled
5.	Professions Tax Enrollment Certificate (P.T.E.C.)	M/s. Kabra Jewels Private Limited, 104, 109, 112, 208 One 42, opp. Jayantilal Park, Nr. Ashok Vatika, Bodakdev, Ahmedabad, Gujarat-380054	PEC010676096168	Profession Tax Department, Amdavad Municipal Corporation	September 14, 2023	Valid till Cancelled

**GST Registration Certificate:**

Sr. No.	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Certificate of Registration of Goods and Services Tax (Gujarat)	Centre Goods and Services Tax Act, 2017	DS Goods and Service Tax Network	24AAECK0377M1ZD	Original Certificate dated July 01, 2017  Latest Certificate dated	Valid till Cancelled

					October 25, 2024	
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**Registrations related to Labour Laws:**

Sr. No.	Description	Address	License Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Registration under Employees State Insurance Act, 1948	Shop No. 6, Iskon Centre, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat - 380015, India.	37001025910001002	Employees' State Insurance Corporation	January 31, 2013	Valid till Cancelled
2.	Registration under the Employees Provident fund (EPF)	Shop No. 6, Iskon Centre, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat - 380015, India.	GJAHD1684450000	Employees' Provident Fund Organization	January 25, 2018	Valid till Cancelled
3.	Registration under Gujarat Shops & Establishments Act, 2019	Shop No. 6, Iskon Centre, Shivranjani Cross Road, Satellite, Ahmedabad, Gujarat - 380015, India.	PII/SHVRNJS/10099/0276720 (Shivranjani Society)	Department of Labour, Gujarat	April 06, 2023	April 05, 2028
4.	Registration under Gujarat Shops & Establishments Act, 2019	Shop No. 9, 11, 106, 206, 210 Iskon Centre, Shivranjani Cross Roads, Satellite, Ahmedabad Gujarat - 380015, India.	PII/SHVRNJS/10177/0278893 (SHIVRANJAN SOCIETY)	Ahmedabad Municipal Corporation	June 20, 2024	June 19, 2029
5.	Registration under Gujarat Shops & Establishments Act, 2019	Retail Plaza 104, 109, 112, 208, One 42 Building, Ambali Bopal Road, Ahmedabad, Gujarat -380054, India	PII/ GRDW/4000986/0277555 (GURUDWARA)	Amdavad Municipal Corporation  Shops and Establishment Department	September 15, 2023	September 14, 2028

**Business Related Approvals:**



Sr. No.	Description	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Udyam Registration Number	UDYAM-GJ-01-0092585	Ministry of Micro Small & Medium Enterprises	August 16, 2021	Valid till Cancelled
2.	Importer-Exporter Code	AAECK0377M	Ministry of Commerce and Industry, Directorate General of foreign Trade	July 03, 2019	Valid till Cancelled
3.	LEI	984500FD59B3F9CR8428	Legal Entity Identifier India Limited	July 25, 2024	July 28, 2025
4.	BIS - IS 1417:2016 (Gold Jewellery and Artefacts)	HM/C-7290284617	Bureau of Indian Standards, Ahmedabad Branch	August 23, 2021	August 22, 2026
5.	Membership of All India Gem and Jewellery	LM000532	All India Gem and Jewellery Domestic Council	October 28, 2020	Life Membership



	Domestic Council				
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## INTELLECTUAL PROPERTY

*Trademarks registered/Objected in the name of our company:*

Sr. No	Brand Name/ Logo Trademark	Class	Application number	Date of Application	Authority	Current Status
1.		14	Trade Mark No. 5234464	December 04, 2021	Acquired from Ms. Jyoti Kailash Kabra vide licensing agreement dated August 10, 2024	Registered
2.		14	Trade Mark No. 5314765	February 04, 2022	Kabra Jewels Private Limited	Registered

*Domain Name:*

Sr. No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	<a href="http://www.atarashi.co.in">www.atarashi.co.in</a>	Registry Domain ID: D61832D9769904BE8B076AF976A5DE7 AA-IN IANA ID: 1647	Registrar: Hosting Concepts B.V. d/b/a Open provider, Registrar IANA ID: 1647	November 15, 2022	November 15, 2025
2.	<a href="https://kkjewels.org/">https://kkjewels.org/</a>	Registry Domain ID: 8d3c867d1449463ea283f7bc027c7478-LROR IANA ID: 440	Registrar: Wild West Domains, LLC	January 03, 2021	January 03, 2026

In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals by the Company and no approval is pending in respect of any such application made with any of the authorities.

## OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations, and the applicable accounting standards (Accounting Standard 18 and GAAP), “group companies” in relation to the disclosure in Offer Documents, our Company shall include (i) the companies (other than our Subsidiaries and Promoter, as applicable) with which there were related party transactions, in accordance with AS 18, as disclosed in the Restated Financial Information; and (ii) such other companies as considered material by our Board pursuant to the materiality policy.

With respect to (ii) above, our Board in its meeting held on August 09, 2024 has approved that such companies that are a part of the promoter group (as defined in the SEBI ICDR Regulations) with which there were transactions in the most recent financial year and stub period, if any, to be included in the Offer Documents (“**Test Period**”), which individually or in the aggregate, exceed 10% of the total restated Revenue of our Company for the Test Period, shall also be classified as group companies.

Accordingly, based on the parameters outlined above, as on the date of this Red Herring Prospectus, our Company has identified and considered the following as Group Companies.

1. Maya Texturisers Private Limited
2. Disha Resources Limited

### **Details of our Group Companies**

#### **1. Maya Texturisers Private Limited**

##### ***Corporate Information:***

Maya Texturisers Private Limited having CIN U17119GJ1990PTC014724 was incorporated on March 12, 1990. The registered office of the company is situated at 3, Rajesh Apartments, Behind navgujarat College, Ashram Road, Ahmedabad - 380014, Gujarat, India

##### ***Financial Information:***

Certain financial information derived from the audited financial statements of Maya Texturisers Private Limited for Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, as required by the SEBI ICDR Regulations, is available on our website at <https://kkjewels.org/>.

***The Shareholding Pattern as on March 31, 2024 is as follows:***

<b>Sr. No.</b>	<b>Name of the Shareholders</b>	<b>No. of Equity Shares held</b>	<b>Percentage of shareholding (%)</b>
1	Shri Varun Krishna Awtar Kabra	1,03,000	22.17
2	Shri Kailash Satyanarayan Kabra	42,500	9.15
3	Miss Poonam Satyanarayan Kabra	67,000	14.42
4	Shri Shyamsunder Badrinarayan Kabra HUF (Through Shyamsunder Kabra as Karta)	4,000	0.86
5	Shri Krishna Awtar Jagannath Kabra HUF (Through Krishna Awtar Kabra as Karta)	5,900	1.27
6	Shri Krishna Awtar Jagannath Kabra	1,010	0.22
7	Shri Badrinarayan shrikrishan Kabra HUF (Through Bankatlal Kabra as Karta)	4,500	0.97
8	Shri Satyanarayan Kabra HUF (Represented by Karta Satyanarayan Kabra)	50	0.01
9	Shri Satyanarayan Kabra	94,220	20.28
10	Shri Lalitkumar Somani	1,000	0.22
11	Shri Kamal Kishor Somani	1,000	0.22
12	Rajesh Sukhdev Somani	1,000	0.22

13	Rajesh Manish Associates Pvt. Ltd.	27,000	5.81
14	Kabra Commercial Ltd.	30,000	6.46
15	Nirajkumar Maheshwari HUF	47,000	10.11
16	Niraj Kumar Maheshwari	35,500	7.46
	<b>Total</b>	<b>4,64,680</b>	<b>100</b>

## 2. Disha Resources Limited

### **Corporate Information:**

Disha Resources Limited having CIN L74110GJ1995PLC024869 was incorporated on March 06, 1995. The registered office of the company is situated at 3, Rajesh Apartment, B/H, Ajanta Commercial Estate off Ashram Road, Ahmedabad - 380014, Gujarat, India.

### **Financial Information:**

Certain financial information derived from the audited financial statements of Disha Resources Limited for Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, as required by the SEBI ICDR Regulations, is available on our website at <https://kkjewels.org/>.

### **Shareholding Pattern:**

*M/s. Disha Resources Limited is a BSE Listed Company and the link to access the latest shareholding pattern of the Company can be viewed from below:*

<https://www.bseindia.com/stock-share-price/disha-resources-ltd/drl/531553/shareholding-pattern/>

### **Nature and extent of interest of our Group Companies**

#### **In the promotion of our Company**

None of our Group Companies have any interest in the promotion of our Company.

Our Group Companies are not interested in any property acquired by our Company in the three years preceding the filing of this Red Herring Prospectus or proposed to be acquired by our Company.

Our Group Companies are not interested in any transactions for acquisition of land, construction of building or supply of machinery.

#### **In the properties acquired by our Company in the past three years before filing this Red Herring Prospectus or proposed to be acquired by our Company**

Our Group Companies are not interested in the properties acquired by us in the three years preceding the filing of this Red Herring Prospectus or proposed to be acquired by us as on the date of this Red Herring Prospectus.

#### **In transactions for acquisition of land, construction of building and supply of machinery, etc.**

Our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery, except in ordinary course business and as disclosed in “*Restated Financial Statements – Note AB: Related Party Disclosures*” on page 202.

#### **Common pursuits among our Group Companies and our Company**

Except as disclosed in “*Restated Financial Statements – Note AB: Related Party Disclosures*” on page 202, our Group Companies are not involved in any kind of common pursuits with our Company or other Group Companies as on the date of this Red Herring Prospectus.

#### **Related business transactions within our Group Companies and significance on the financial performance of our Company**

Except transaction as disclosed in “*Restated Financial Statements – Note AB: Related Party Disclosures*” on page 202 which are in ordinary course of business, our Group Companies are not involved in any related business transaction with our Company as on the date of this Red Herring Prospectus.

**Litigation**

Except as disclosed in “*Outstanding Litigations and Material Developments*” on page 225, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

**Business interest of our Group Companies**

Except in the ordinary course of business and as stated in “*Restated Financial Statements – Note AB: Related Party Disclosures*” on page 176, none of our Group Companies have any business interest in our Company.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

The Issue has been authorized by our Board pursuant to its resolution dated August 09, 2024, and the Fresh Issue has been authorized by our Shareholders pursuant to their special resolution dated August 13, 2024. Our Board has approved the Red Herring Prospectus pursuant to its resolution dated September 12, 2024.

Our Company has received in-principle approvals from NSE for the listing of the Equity Shares pursuant to its letter dated December 26, 2024.

### **Prohibition by SEBI or other Governmental Authorities**

Our Company, our Promoters, members of the Promoter Group and our Directors have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Our Promoter and Directors are not directors or promoters of any other company which is debarred from accessing the capital market under any order or direction passed by SEBI or any other authorities.

Our Company, Promoter or Directors have neither been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.

Our Promoter and our Directors have not been declared as Fugitive Economic Offenders under section 12 of Fugitive Economic Offenders Act, 2018.

### **Association with Securities Market**

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our directors are associated as promoters or directors.

### **Prohibition by RBI**

Neither our Company, our Promoter, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter have been identified as a wilful defaulter or a fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter “*Outstanding Litigations and Material Development*” beginning on page 213 of the Red Herring Prospectus.

### **Confirmation under Companies (Significant Beneficial Owners) Rules, 2018**

Our Company, our Directors, our Promoter and members of Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Red Herring Prospectus.

### **Eligibility for the Issue**

Our Company is eligible in terms of Regulation 228 and Regulation 230(1) of SEBI (ICDR) Regulations, 2018 for this Issue.

Our Company is an ‘unlisted issuer’ in terms of the SEBI (ICDR) Regulations; and this Issue is an ‘Initial Public Issue’ in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue face value paid-up capital would be more than 10 crores, and can issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange.

We further confirm that:

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Book Running Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size *please refer to the paragraph titled 'Underwriting' under the section titled 'General Information' on Page 49 of this Prospectus*

1. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee's in the issue shall be greater than or equal to fifty (50), failing which, the entire application money will be refunded forthwith in accordance with the SEBI ICDR Regulations and other applicable laws.

In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Red Herring Prospectus However, as per Regulation 246(2) of the SEBI (ICDR) Regulations, 2018, the SEBI shall not issue any observation on the offer document.

2. In accordance with Regulation 261 (1) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement dated January 03, 2025 with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the Emerge platform of National Stock Exchange of India Limited. For further details of the arrangement of market making please refer to the paragraph titled 'Details of the Market Making Arrangements for this Issue' under the section titled *General Information* on page 49 of this Red Herring Prospectus.
3. In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to NSE EMERGE is the Designated Stock Exchange.
4. In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, our Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.
5. In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital is fully Paid-up.
6. In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoter is already in dematerialised form.

We further confirm that we shall be complying with all the other requirements as laid down for such an Offer under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

## **NSE ELIGIBILITY NORMS**

- ***Incorporation: The Issuer should be a company incorporated under the Companies Act 1956 in India.***

Our Company is incorporated under the Companies Act, 1956 in India.

- ***Post Issue Paid up Capital: The post issue paid up capital of our Company (face value) shall not be more than ₹ 25 crores***

The present paid up capital of our company is Rs.7,36,00,000 and we are proposing IPO of 31,25,000 Equity shares of ₹ 10/- each at Issue price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share, aggregating to ₹ [●] lakhs. Hence our post issue Paid up capital will be upto ₹ 10,48,50,000.

- ***Track Record***

The Company should have a track record of at least 3 years.

Our Company was incorporated on July 21, 2010 under the provisions of the Companies Act, 2013 vide certificate of incorporation issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Therefore, we are in compliance with criteria of having track record of 3 years.

- **Operating Profit (earnings before interest, depreciation and tax) from operations for atleast 2 (two) out of 3 (three) financial years:**

Our Company is having operating profit, details are mentioned as below.

Particulars	(₹ in lakhs)			
	For the Period ended November 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Total Income	12,548.47	16,424.32	12,234.02	11,212.54
Operating Profit (earnings before interest, depreciation and tax)	2,000.61	2,182.46	1,239.22	1,174.05

- **Net-worth: Positive Net-worth**

As per Restated Financial Statement, the net-worth of our Company is ₹ 3105.88 Lakhs as on March 31, 2024.

- **The company/entity should have positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application.**

Particulars	Kabra Jewels Limited		
	2024	2023	2022
Net Cash Flow from operating activities	1,581.04	(1,243.81)	221.14
Less: Purchase of Fixed Asset	254.60	289.16	701.34
Add: Net Borrowings	(383.31)	2,083.40	835.67
Less: Interest (Post Tax)	612.18	396.88	277.37
<b>Free Cash Flow to Equity (FCFE)</b>	<b>330.95</b>	<b>153.55</b>	<b>78.10</b>

- **It is mandatory for a company to have a website.**

Our Company has website i.e. <https://kkjewels.org/>

- **It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories.**
- Our Company shall mandatorily facilitate trading in demat securities and have entered into an agreement with both the depositories. Our Company has entered into an agreement for registration with the Central Depository Services Limited dated June 11, 2024 and National Securities Depository Limited dated June 12, 2024 for establishing connectivity.
- Our Company has not been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) and no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- Our Company has not received any winding up petition admitted by a NCLT/Court.
- We confirm that no material regulatory or disciplinary action has been taken against our Company by a stock exchange or regulatory authority in the past three years.
- The draft red herring prospectus filed for Ravelcare Limited (SME IPO) with National Stock Exchange of India Limited was returned on November 08, 2024. However, pursuant to return letter they have not been debarred by the Exchange to file Draft Offer Document. Except as stated above, there have been no instances in the past 6 months, whereby any IPO offer document filed by the BLRM with the Exchange was returned.

#### Other Disclosures:

We further confirm that:

- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of our Promoter and Group Companies
- There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company and Promoter during the past three years.
- There are no litigations record against our Company, Promoter except disclosed on page 225 in section “*Outstanding Litigation and Other Material Developments*”.

There are no criminal cases/investigation/offences filed against the director of our Company.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Except as stated in the Red Herring Prospectus, we confirm that there are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE LEAD MERCHANT BANKER, MARWADI CHANDARNA INTERMEDIARIES BROKERS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN ON FORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MERCHANT BANKER, MARWADI CHANDARANA INTERMEDIARIES BROKERS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 12, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018**

**THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.**

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the RoC including in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the RoC including in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act.

#### **Disclaimer from our Company and the Book Running Lead Manager**



Our Company, our Promoter, our Directors and the Book Running Lead Manager accepts no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, <https://kkjewels.org/> would be doing so at his or her own risk.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Issue Agreement entered between the Book Running Lead Manager and our Company on August 23, 2024 and the Underwriting Agreement dated January 03, 2025 entered into between the Underwriters and our Company and the Market Making Agreement dated January 03, 2025 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere. Neither our Company nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our subsidiary, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **Disclaimer in respect of jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, state industrial development corporations, provident funds (subject to applicable law), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI, venture capital funds, permitted insurance companies and pension funds, permitted non-residents including Eligible NRIs, AIFs, FPIs registered with SEBI and QIBs. This Red Herring Prospectus does not, however, constitute an issue to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at Gujarat, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for its observations.

Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

#### **Disclaimer Clause of the NSE EMERGE**

As required, a copy of this Red Herring Prospectus has been submitted to NSE EMERGE. The disclaimer clause as intimated by NSE EMERGE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus / Prospectus prior to the filing with the RoC which is as follows

**“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/4529 dated December 26, 2024, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.**

**Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”**

#### **Disclaimer Clause under Rule 144A of The U.S. Securities Act, 1993**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “**Securities Act**”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulations of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India

#### **Filing**

This Red Herring Prospectus is being filed with the NSE EMERGE Platform of NSE Limited, where the Equity Shares are proposed to be listed NSE of India Limited is located at the Mumbai, Maharashtra.

The Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Red Herring Prospectus in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus/Prospectus, along with the material contracts and documents required to be filed under Section 26 of the Companies Act, 2013 would be filed with the ROC Office situated at Pune, Maharashtra.

### **Listing**

Application will be made to the NSE Emerge for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE Emerge is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

Our company has received an In-principle Approval letter dated December 26, 2024 from NSE for using its name in this Offer document for listing our shares on the Emerge Platform of National Stock Exchange of India Limited.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within Four days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of fourth days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge mentioned above are taken within three Working Days from the Issue Closing Date.

### **Consents**

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Senior Managerial Personnel (SMP), Our Statutory Auditor, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Book Running Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue, Market Maker to the Issue, to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Our Company has received written consent dated August 20, 2024 from the Peer Reviewed Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Peer Reviewed Auditor and in respect of its (i) examination report dated August 26, 2024 on our restated financial information; and (ii) its report dated August 27, 2024 on the statement of special tax benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

### **Experts**

Except as stated below, our Company has not obtained any expert opinions:

- Report of the Statement of Possible of Tax Benefits dated August 27, 2024.
- Report of the Auditor on the Restated Financial Statements of our Company for the Period Year ended March 31, 2024, 2023, 2022 dated August 26, 2024.
- Report of the Statement of Possible of Tax Benefits dated January 04, 2025
- Report of the Auditor on the Restated Financial Statements of our Company for the Period ended November 30, 2024 dated January 03, 2025.

The consent has not been withdrawn as of the date of this Red Herring Prospectus.

### **Impersonation**

**Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:**

**“Any person who-**

- a) *Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) *Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) *Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable to action under section 447 of the Companies, Act 2013*

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

#### **Particulars regarding Public or Rights Issues during the last five (5) years and performance vis-à-vis objects**

Our Company has not made any previous public issues during the last five (5) years preceding the date of this Red Herring Prospectus, further for details in relation to right issue made by our Company during the five years preceding the date of this Red Herring Prospectus, please refer to section titled “*Capital Structure*” on page 64 of this Red Herring Prospectus.

#### **Commission or brokerage on previous issues of the Equity Shares in the last five years**

Since this is the initial public offer of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for the last five years by our Company.

#### **Particulars regarding capital issues in the preceding three years**

Except as disclosed in the section titled “*Capital Structure*” on page 64, our Company has not made any capital issues during the three years immediately preceding the date of this Red Herring Prospectus. Further, our Company does not have any listed group companies. Further, our Company has not made any capital issues during the three years immediately preceding the date of this Red Herring Prospectus.

Certain debt securities of Our Company are listed. For further details, see “*Statement of Financial Indebtedness*” on page 207.

#### **Price information and the track record of the past issued handled by the BRLM**

For details regarding the track record of the Marwadi Chandarana Intermediaries Brokers Private Limited Limited, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of [ib.marwadichandaranagroup.com](http://ib.marwadichandaranagroup.com)

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

Sr. No.	Financial Year	Issue Name	Issue Size (₹ in Crores)	Issue Price (₹)	Listing date	Opening Price on Listing Date (₹)	+/-% Change in Closing Price, [+/- % Change in Closing Benchmark]- 30th Calendar Days from the Listing Day	+/-% Change in Closing Price, [+/- % Change in Closing Benchmark]- 90th Calendar Days from the Listing Day	+/-% Change in Closing Price, [+/- % Change in Closing Benchmark]- 180th Calendar Days from the Listing Day
<b>SME Board</b>									
1.	2024-25	Hamps Bio Limited	6.22	51.00	December 20, 2024	96.90	-	-	-
<b>Main Board - Nil</b>									

### Stock market data of the Equity Shares

As the Offer is the initial public offering of the Equity Shares, the Equity Shares are not listed on any stock exchange as on the date of this Prospectus, and accordingly, no stock market data is available for the Equity Shares.

### Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from the Self Certified Syndicate Banks (“SCSBs”) for addressing any clarifications or grievances of application supported by blocked amount (“ASBA”) Bidders.

**Bidders can contact the Company Secretary and Compliance Officer, the BRLMs and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below.**

All Offer related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary, with whom the Bid cum Application Form was submitted giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, Unified Payments Interface Identity (“UPI ID”), Permanent Account Number (“PAN”), address of Bidder, number of the Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove.

For Offer-related grievances, investors may contact the BRLMs, details of which are given in “*General Information – Book Running Lead Managers*” on page 54.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first bidder, Anchor Investor Application Form number, Bidders’ DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration

of delay exceeding two Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Pursuant to the SEBI master circular for Issue of Capital and Disclosure Requirements bearing reference number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 (“SEBI ICDR Master Circular”) and the circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 (“March 2021 Circular”), SEBI has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non-allotment within prescribed timelines and procedures.

In terms of SEBI ICDR Master Circular issued by the SEBI, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Separately, pursuant to the circular March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLMs shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer.

#### Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on August 09, 2024. For further details on the Stakeholders Relationship Committee, please refer to section titled “*Our Management*” beginning on page 156 of this Red Herring Prospectus.

The members of the Stakeholders’ Relationship Committee are:

Name of Director	Position in the Committee	Designation
Nimesh Puranprakash Phophalia	Chairperson	Non-Executive Director
Hetal Karshanbhai Vaghela	Member	Independent Director
Indira Suresh Vora	Member	Independent Director

The Company Secretary of our Company shall serve as the secretary of the Stakeholders’ Relationship Committee.

**Our Company has appointed Hiral Ishan Dave, Company Secretary and the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:**

**Hiral Ishan Dave**

95, Pratham Vatika, Aarohi Club Road, Bopal, Ghuma, Ahmedabad - 380058, Gujarat, India

**Telephone No.:** +91 97261 25294

**E-mail:** [cs.kkjewels@gmail.com](mailto:cs.kkjewels@gmail.com)

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 08, 2011, SEBI has launched a centralized web-based complaints redress system “**SCORES**”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

**STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Red Herring Prospectus

**EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

## **SECTION VIII: ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being issued and allotted pursuant to the Issue shall be subject to the provisions of the Companies Act 2013, the SEBI (ICDR) Regulations, 2018, the SCRA, the SCRR, the MOA, the AOA, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other documents and certificates that may be executed in respect of the Issue. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and listing and trading of securities, issued from time to time, by the SEBI, the Government of India, the Stock Exchanges (NSE), the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as may be prescribed by such governmental and/or regulatory authority, as in force on the date of the Issue and to the extent applicable.*

#### **Authority for the Issue**

The present Issue of upto 31,25,000 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] lakhs which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on August 09, 2024 and was approved by the Shareholders of our Company by passing special resolution at their Extra-Ordinary General Meeting held on August 13, 2024 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

#### **Ranking of the Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “Main Provisions of the Articles of Association” on page 296 of this Red Herring Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable laws including guidelines or directives that may be issued by the GoI in this respect and as recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “Dividend Policy” on 173 page of this Red Herring Prospectus.

#### **Face Value, Issue Price, Floor Price and Price Band**

The Face Value of each Equity Share is ₹ 10/- each and the Issue Price at the lower end of the Price Band is ₹ [●] per equity Share (“**Floor Price**”) and at the higher end of the Price Band is ₹ [●] per equity Share (“**Cap Price**”). The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and Gujarati edition of Financial Express, a regional newspaper each with wide circulation where the registered office of the Company is situated and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.



The Issue price shall be determined by our company in consultation with the BRLM and is justified under the chapter titled “*Basis of Issue Price*” beginning on page 88 of this Red Herring Prospectus.

#### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity Shareholders will have the following rights:

- Right to receive dividends, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Main Provisions of the Articles of Association*”, beginning on page 296 of this RHP.

#### **Allotment only in dematerialised form**

As per the provisions of the Depositories Act, 1996 and in terms of Section 29(1) of the Companies Act 2013, the Equity Shares shall be allotted only in dematerialized form, i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. As per the existing SEBI ICDR Regulations, 2018, the trading of the Equity Shares shall only be in dematerialized form for all investors. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated June 12, 2024 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated June 11, 2024, between CDSL, our Company and Registrar to the Issue.

**Furnishing the details depository account is mandatory and applications without a depository account shall be treated as incomplete and rejected.**

#### **Minimum Application Value, Market Lot and Trading Lot**

In accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allotees**

In accordance with the Regulation 268 (1) of SEBI ICDR Regulations, the Minimum number of allottees in this Issue shall be 50 (Fifty) shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by the SCSBs or Sponsor Bank shall be unblocked as per SEBI ICDR Regulations and SEBI Circulars

### **Joint Holders**

Subject to the provisions of the AOA, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Gujarat.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

*The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, read with the rules notified thereunder, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by the Shareholder by nominating any other person in place of the present nominee, by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue Equity Share capital and Promoter's minimum contribution under the SEBI ICDR Regulations as provided in "Capital Structure", beginning on page 64 of this RHP and except as provided under the AOA, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the AOA. For details, see "Main Provision of the Articles of Association", beginning on page 296 of this Red Herring Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

### **Withdrawal of the Issue**

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two (2) working days of the issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) working day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. ii) the final RoC approval of the Red Herring Prospectus after it is filed with the RoC. If our Company in consultation with the BRLM withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus / Red Herring Prospectus with the Stock Exchange.

### **Bid/Issue Programme**

<b>ANCHOR PORTION OPENS ON</b>	Tuesday, January 14, 2025 <sup>(1)</sup>
<b>ISSUE OPENS ON</b>	Wednesday, January 15, 2025 <sup>(1)</sup>
<b>ISSUE CLOSES ON</b>	Friday, January 17, 2025 <sup>(2) (3)</sup>
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Monday, January 20, 2025
Initiation of Allotment/ refunds/unblocking of funds from ASBA Account or UPI ID linked bank account	On or about Tuesday, January 21, 2025
Credit of Equity Shares to demat accounts of Allottees	On or about Tuesday, January 21, 2025
Commencement of trading of the Equity Shares	On or about Wednesday, January 22, 2025

*Note:*

*(1) Our Company shall, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.*

(2) Our Company shall, in consultation with the Book Running Lead Managers, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

(3) UPI mandate end time and date shall be at 5.00 p.m. on the Bid / Issue Closing Date.

\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of nonallotted/ partially allotted Bids, exceeding two 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 of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the March 2021 Circular, as amended pursuant to June 2021 Circular shall be deemed to be incorporated in the agreements to be entered into by and between our Company and the relevant intermediaries, to the extent applicable.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, 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.

**The above timetable is indicative and does not constitute any obligation or liability on our Company or the BRLMs.**

**While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within such period of the Bid / Offer Closing Date, as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid / Offer Period by our Company in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.**

In terms of the UPI Circulars, in relation to the Issue, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid / Issue Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**Submission of Bids (other than Bids from Anchor Investors):**

<b>Bid/ Issue Period (except the Bid/ Issue Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
<b>Bid/ Offer Closing Date*</b>	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIBs other than QIBs and NIIs	Only between 10.00 a.m. and 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and	Only between 10.00 a.m. and up to 4.00 p.m. IST

Syndicate UPI ASBA applications where Bid Amount is up to ₹0.50 million)	
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and 3:00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and 1:00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications where Bid Amount is more than ₹0.50 million)	Only between 10.00 a.m. and 12:00 p.m. IST
<b>Modification/ Revision/cancellation of Bids</b>	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories#	Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs	Only between 10.00 a.m. and up to 5.00 p.m. IST

*\*UPI mandate end time and date shall be at 5.00 pm on Bid/Offer Closing Date.*

*# QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.*

**On the Bid/ Offer Closing Date, the Bids shall be uploaded until:**

- i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid / Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled / withdrawn / deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid / Offer Opening Date till the Bid / Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date, and in any case no later than 1:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid/ Offer Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period. None among our Company or the Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBS on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken. Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

**In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding a**

**total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminal of the Syndicate Member, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.**

### **Minimum Subscription**

In accordance with Regulation 260(1) of the SEBI (ICDR) Regulations, our Issue shall be 100% underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received within two working days from the closure of the issue. If there is a delay beyond such time, our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable laws.

The minimum number of allottees in this Issue shall be fifty (50) shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked as per SEBI ICDR Regulations and SEBI Circulars

In accordance with Regulation 260(1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through this Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board Platform of Stock Exchanges on a later date subject to the following:

1. If the paid-up capital of the Company is likely to increase above Rs.25 crores by virtue of any further offer of capital by way of rights, preferential offer, bonus offer etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to National Stock Exchange of India Limited for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
2. If the paid-up capital of the Company is more than Rs.10 crores but below Rs.25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter shareholders in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal

3. Shall comply with the conditions laid down by the Stock Exchanges time to time.

#### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the [●].

#### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Offer without the prior approval of the RBI, so long as the price of the equity shares to be Offered is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

#### **As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Market Making**

The shares issued and transferred through this Issue are proposed to be listed on the NSE Emerge with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the National Stock Exchange of India Limited. For further details of the market making arrangement please refer to chapter titled “*General Information*” beginning on page 53 of this Red Herring Prospectus.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after filing the Red Herring Prospectus/ Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

## ISSUE STRUCTURE

*This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post Offer paid up capital is less than ₹ 10 crores shall Offer equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the Emerge platform of National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an Offer, please refer chapter titled “Terms of the Issue” and “Issue Procedure” on page no. 251 and 262 respectively of this Red Herring Prospectus.*

### Issue Structure:

The present initial public offer is up to 31,25,000 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] lakhs which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on August 09, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on August 13, 2024 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013. The Issue comprises a reservation of upto 2,90,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker (the “Market Maker Reservation Portion”) and a Net Issue to Public of 28,35,000 Equity Shares of ₹10 each is hereinafter referred to as the Net Issue. The Offer and the Net Offer will constitute 29.80 % and 27.04 %, respectively of the post Issue paid up Equity Share Capital of the Company.

This Issue is being made by way of Book Building Process:

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	Up to 2,90,000] Equity shares	Not more than 14,16,000 Equity Shares.	Not less than 4,26,000 Equity Shares	Not less than 9,93,000 Equity Shares
<b>Percentage of Issue size available for allocation</b>	9,28% of the Offer size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion may be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion  Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only.”	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
<b>Basis of Allotment<sup>(3)</sup></b>	Firm Allotment	Proportionate as follows: (excluding the Anchor Investor Portion): a) Up to 29,000 Equity Shares shall be available for allocation on a	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares.	Proportionate basis subject to minimum allotment of [●] Equity Shares



		proportionate basis to Mutual Funds only; and		
		<p>b) Up to 5,38,000 Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above</p> <p>Up to 60% of the QIB Portion (of up to 14,16,000 Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.</p>		
<b>Mode of Bid</b>	Only through the ASBA Process	Only through the ASBA process. (Except for Anchor investors)	Through ASBA Process through banks or by using UPI ID for payment	Through ASBA Process through banks or by using UPI ID for payment
<b>Mode of Allotment</b>	Compulsorily in dematerialized form			
<b>Minimum Bid Size</b>	2,90,000 Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares that Bid size exceeds ₹ 200,000	[●] Equity Shares
<b>Maximum Bid Size</b>	2,90,000 Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB portion), subject to limits as applicable	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000
<b>Trading Lot</b>	[●] Equity Shares, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	<p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids<sup>(4)</sup></p> <p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank(s) through the UPI Mechanism (for RIBs or individual investors bidding under the Non – Institutional Portion for an amount of more than</p>			

	₹0.20 million and up to ₹0.50 million, using the UPI Mechanism), that is specified in the ASBA Form at the time of submission of the ASBA Form.
<b>Mode of Bid</b>	Through ASBA process only (except Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI Mechanism

- (1) *This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.*
- (2) *In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018, this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.*
- (3) *Subject to valid Bids being received at or above the Issue price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*
- (4) *Our Company, in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI (ICDR) Regulations, 2018, as amended. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Price.*
- (5) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For further details see "Issue Procedure" beginning on page 262 of this Red Herring Prospectus.*
- (6) *Anchor Investors are not permitted to use the ASBA process. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. Retail, QIB, NIB and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

The Bids by FPIs with certain structures as described under "*Issue Procedure - Bids by FPIs*" on pages 262 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed. If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

## ISSUE PROCEDURE

All applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) Designated Date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”), and modalities of the implementation of UPI Phase III has been notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances.

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of this circular are deemed to form part of this Red Herring Prospectus

Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The Book Running Lead Manager shall be the nodal entity for any issues arising out of public issuance process.

The BRLM shall be the nodal entity for any issues arising out of public issuance process. In terms of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and BRLM shall continue to coordinate with intermediaries involved in the said process.

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 Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Issue 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/2021/2480/1/M dated March 16, 2021 as amended by SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company and the members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

This section applies to all the Applicants.

### **Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, amongst others equity shares. Pursuant to the SEBI UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the SEBI UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019, until March 31, 2019, or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface

with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“T+3 Notification”). In this phase, the time duration from public offer closure to listing has been reduced from six Working Days to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

This Issue will be made under UPI Phase III of the UPI Circular.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchange and NPCI in order to facilitate collection of requests and/or payment instructions of the Retail Individual Bidders using the UPI Mechanism.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized under the relevant securities law. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the Book Running Lead Manager will be required to compensate the concerned investor.

For further details, refer to the General Information Document available on the website of the Stock Exchange and the Book Running Lead Manager.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make an application as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders applying in public Offers where the application amount is up to ₹ 5,00,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- a syndicate member
- a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
- a depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity) a registrar to the issue and shares transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

#### **BOOK BUILDING PROCEDURE:**

This Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Offer shall be allocated on a proportionate basis to QIBs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15.00% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Issue shall be

available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

***Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to allotment of the Equity Shares in the Offer, subject to applicable laws.***

### **Availability of Red Herring Prospectus /Prospectus and Application Forms**

The Memorandum containing the salient features of this Red Herring Prospectus together with the Application Forms and copies of this Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Book Running Lead Manager to the Offer, Registrar to the Offer as mentioned in the Application form. The application forms may also be downloaded from the website of Stock Exchange i.e. NSE. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an application Form either in physical or electronic form to the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE, at least one day prior to the Bid/Issue Opening Date. Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details or authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

Since the Issue is made under Phase III, ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIBs (other than the UPI Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIIs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

(iv) ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

**Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Anchor Investor**	White
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis <sup>^</sup>	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis <sup>^</sup>	Blue

\*Excluding electronic Bid cum Application Forms

<sup>^</sup>\*\*Electronic Bid cum Application forms for Anchor Investor shall be made available at the office of the BRLM.

Electronic Bid Cum Application Forms will also be available for download on the website of the National Stock Exchange ([www.nseindia.com](http://www.nseindia.com)).

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”).

Sr. No.	Designated Intermediaries
1	An SCSB, with whom the bank account to be blocked, is maintained
2	A syndicate member (or sub-syndicate member)
3	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5	A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.*

**The upload of the details in the electronic bidding system of stock exchange will be done by:**

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

**Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.**

**Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.**

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

For RIBs using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Offer Closing Date (“Cut- Off Time”). Accordingly, RIBs should accept UPI Mandate Requests for blocking off funds prior to the Cut- Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an Offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an Offer. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in 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 and the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.



## WHO CAN BID?

**Each Applicants should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.**

**Subject to the above, an illustrative list of Applicants is as follows:**

- a) Indian Nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) QIBs;
- e) Mutual Funds registered with SEBI;
- f) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- g) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- h) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- i) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- j) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- l) Foreign Venture Capital Investors registered with the SEBI;
- m) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- o) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- p) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- r) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of

Government of India published in the Gazette of India;

- s) Insurance funds set up and managed by army, navy or air force of the Union of India;
- t) Multilateral and bilateral development financial institution;
- u) Eligible QFIs;
- v) Insurance funds set up and managed by army, navy or air force of the Union of India;
- w) Insurance funds set up and managed by the Department of Posts, India;
- x) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **APPLICATIONS NOT TO BE MADE BY:**

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies (OCB)

**As per the existing RBI regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

##### **2. For other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this RHP.**

**The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws**

or regulations.

## METHOD OF BIDDING PROCESS

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), Gujarateditions of Financial Express (a widely circulated Regional language daily newspaper) Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation at least two Working Days prior to the Bid / Offer Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Offer Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Offer Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Offer Period, if applicable, will be published in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), Financial Express(a widely circulated Regional language daily newspaper) Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager.
- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid. The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”. The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- c) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- d) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- e) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- f) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “*Issue Procedure*” beginning on page 262 of this Red Herring Prospectus.
- g) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

- h) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other Bidders

#### **Participation by Associates /Affiliates of BRLM**

**The BRLM shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM may subscribe the Equity Shares in the Offer, either in the QIB Category or in the Non- Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.**

#### **Option to Subscribe in the Offer**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Information for the Bidders:**

1. Our Company and the Book Running Lead Manager shall declare the Offer Opening Date and Offer Closing Date in the Red Herring Prospectus which will be registered with the RoC and also publish the same in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), Gujarati editions of Financial Express (a widely circulated Regional language daily newspaper) Gujarati being the regional language of Gujarat, where our Registered Office is located) with wide circulation. This advertisement shall be in prescribed format.
2. Our Company shall file the Red Herring Prospectus with the RoC at least 3 (three) days before the Offer Opening Date.

3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of this Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Offer, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain this Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

#### **BIDS BY MUTUAL FUNDS**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company's paid-up share capital carrying voting rights.

### **BIDS BY ELIGIBLE NRIS**

Eligible NRIs or Overseas Citizen of India (OCI) may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation basis shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Offer using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application.

### **Investment by NRI or OCI on non-repatriation basis:**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations - Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis - will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws. Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

### **BIDS BY FPIS**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum

Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. **FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.**

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- (i). such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- (ii). prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilize the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations ("Operational FPI Guidelines"), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids ("MIM Bids"). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilize the multi-investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as "MIM Structure"). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

For details of investment by FPIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 295. Participation of FPIs in the Issue is subject to the FEMA Rules.

**AS PER THE EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

**BIDS BY SEBI-REGISTERED AIFS, VCFS AND FVCIS**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one Investee Company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one Investee Company directly or through investment in the units of other AIFs. . However, large value funds for accredited investors of Category III AIFs may invest up to 20% of the investible funds in an investee company. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Offer) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Offer, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY BANKING COMPANIES**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non- financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10%



of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see “*Key Industry Regulations*” beginning on page 143 of this RHP.

### **BIDS BY SCSBS**

SCSBs participating in the Offer are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

### **BIDS BY SYSTEMICALLY IMPORTANT NBFCs**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- a) equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,50,00,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 50,00,000 lakhs or more but less than ₹ 2,50,00,000 lakhs.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

### **BIDS BY ANCHOR INVESTORS**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to 200 lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than 200 lakhs but up to 2500 lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100 lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than 2500 lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation up to 2500 lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500 lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100 lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Offer Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Offer Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminal of the syndicate member and website of stock exchange offering electronically linked transparent bidding facility, for information of

public.

- 10) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection byes.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLM may deem fit.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

#### **Offer Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by

SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non- Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors.

- a) For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favor of in case of resident Anchor Investors: — “Kabra Jewels Limited – Anchor Account- R”
- b) In case of Non-Resident Anchor Investors: — “Kabra Jewels Limited – Anchor Account- NR”
- c) Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Offer Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - i. the applications accepted by them,
  - ii. the applications uploaded by them
  - iii. the applications accepted but not uploaded by them or
  - iv. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Offer an electronic facility for registering applications for the Offer. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the

investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in this Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/ Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Offer Period.

#### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Offer Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the

BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

- d) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.**

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

*Anchor Investors are not allowed to withdraw their Bids after Anchor Investors bidding date.*

## GENERAL INSTRUCTIONS

### *Do's:*

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank

account number in the Bid cum Application Form;

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
11. RIBs bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
15. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes ("CBDT") notification dated February 13, 2020 and press release dated June 25, 2021.
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
18. Ensure that the category and the investor status is indicated;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
21. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
22. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and



the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;
25. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)); and
27. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by RIBs);
1. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
2. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
3. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
4. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
5. Do not submit the Bid for an amount more than funds available in your ASBA account.
6. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
7. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
8. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
9. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Company;
10. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
11. Do not submit the General Index Register (GIR) number instead of the PAN;

12. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
13. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
14. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
15. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
16. Do not submit a Bid using UPI ID, if you are not a RIB;
17. Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
18. Do not Bid for Equity Shares in excess of what is specified for each category;
19. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Red Herring Prospectus ;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
21. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
22. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPIID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
23. Do not Bid if you are an OCB; and
24. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled “*General Information*” and “*Our Management*” beginning on pages 53 and 156, respectively.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “*General Information*” beginning on page 53.

#### **GROUNDINGS FOR TECHNICAL REJECTION**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

1. Amount blocked does not tally with the amount payable for the Equity Shares applied for;
2. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
3. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
4. PAN not mentioned in the Bid cum Application Form;
5. Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
6. GIR number furnished instead of PAN;
7. Bid for lower number of Equity Shares than specified for that category of investors;
8. Bids at Cut-off Price by NIIs and QIBs;
9. Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
10. The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
11. Bids for lower number of Equity Shares than the minimum specified for that category of investors;

12. Category not ticked;
13. Multiple Bids as defined in the RHP;
14. In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
15. Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
16. Signature of sole Bidder is missing;
17. Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the RHP and as per the instructions in the RHP and the Bid cum Application Forms;
18. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
19. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
20. Bid by OCBs;
21. Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
22. Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
23. Bids not uploaded on the terminals of the Stock Exchanges;
24. Where no confirmation is received from SCSB for blocking of funds;
25. Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
26. Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
27. Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
28. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
29. Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
30. Details of ASBA Account not provided in the Bid cum Application form.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "General Information" beginning on page 53

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day 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. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for 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/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN**

**THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

**Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

**BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

**ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

**The allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer. However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.**

**BASIS OF ALLOTMENT**

**a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price.

The Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Offer Price.

The Offer size less Allotment to QIBs and Retail shall be available for allotment to Non- Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**c. Allotment To Anchor Investor (If Applicable)**

Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

- i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - maximum number of two Anchor Investors for allocation up to ₹ 2 crores; a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
  - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the Book Running Lead Manager, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

**In the event that the Issue Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

**In the event the Issue Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**d. For QIBs**

Bids received from QIBs Bidding in the QIB Category at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- i. In the first instance, allocation to Mutual Funds for [●] % of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●] % of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●] % of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- ii. In the second instance, allotment to all QIBs shall be determined as follows:
  - In the event of oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids

above the Offer Price shall be allotted Equity Shares on a proportionate basis, up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.

- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bidfor by them, are eligible to receive Equity Shares on a proportionate basis, up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

iii. Basis of Allotment for QIBs and NIIs in case of Over Subscribed Offer:

In the event of the Offer being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the [●] (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares appliedfor).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Offer specified under the Capital Structure mentioned in this RHP.

**Retail Individual Investor means an investor who applies for shares of value of not more than ₹ 2,00,000/. Investors may note that in case of over subscription, allotment shall be on proportionate basis and will be finalized in consultation with BRLM.**

**The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.**

**Flow of Events from the closure of Bidding period (T DAY) Till Allotment:**

- On T Day, RTA To validate the electronic bid details with the depository records and also reconcile the final certificates received.

- from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file / FC and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The DSE, post verification approves the basis and generates drawl of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawl numbers in their system and generates the final list of allottees as per process mentioned below :

**Process for generating list of allottees: -**

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawl of lots provided by DSE is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these application s will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees , partial allottees and non- allottees , prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

**Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer.  
  
The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed valid, binding and irrevocable contract for the Allotment to such Bidder.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 working days of the Offer Closing date. The Issuer also ensures that credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account of the issuer.

**Designated Date:**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer.

The Company will Offer and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 2 working days of the Bid/ Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

#### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Offer with effect from January 01, 2013. The list of Broker Centre is available on the website of National Stock Exchange of India Limited i.e. www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Offer with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of **Error! Hyperlink reference not valid.** National Stock Exchange of India Limited i.e. www.nseindia.com

#### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Offer will obtain from the Depository, the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Offer.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

#### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

#### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 3 (three) working days from Offer Closing Date.



In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Offer Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Offer, the obligations of the Underwriter shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Offer size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the NSE Emerge the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

#### **Equity Shares in Dematerialised Form with NSDL/CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Offer on June 12, 2024.
- b) We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Offer on June 11, 2024.
- c) The Company's Equity shares bear an ISIN No. INE0XOW01017

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

#### **PRE-OFFER ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing this Red Herring Prospectus with the RoC, publish a Pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), Gujarati editions of Financial Express (a widely circulated Regional language daily newspaper) (Gujarati being the regional language of Gujarat, where our Registered Office is located)).

In the Pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### **SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING**

- a) Our Company and the Underwriter intend to enter into an Underwriting Agreement on or immediately after the finalization of the Offer Price but prior to the filing of Red Herring Prospectus.
- b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law.

#### **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*“Any person who:*

- a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

#### **UNDERTAKINGS BY OUR COMPANY**

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within three working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within two Working Days from the Issue Closing Date,

giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

5. That our Promoter's contribution in full has already been brought in;
6. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Red Herring Prospectus with the Stock exchange / RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

#### **UTILIZATION OF OFFER PROCEEDS**

Our Board certifies that:

- all monies received out of the Fresh Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Fresh Offer shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.
- Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

#### **COMMUNICATIONS**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued, issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI SAST Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. As per the FDI policy, FDI in companies engaged in the sector in which our Company operates, is permitted up to 100% of the paid-up share capital of such company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see “*Issue Procedure*” on page 262 of this Red Herring Prospectus. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the issue Period.

**The Equity Shares issued in the issue have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be issued 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 applicable state securities laws of the United States. Accordingly, the Equity Shares are only being issued and sold only outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those issues and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the issue and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

## **SECTION IX – MAIN PROVISIONS OF THE ARTICLE OF ASSOCIATION**

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalized terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

### **Table - F**

**Applicable to company as notified under schedule I of the Companies Act, 2013**

#### **ARTICLES OF ASSOCIATION**

#### **OF**

**\*\*\*\*KABRA JEWELS LIMITED**

**A Company Limited by shares**

#### **Interpretation**

- I.** (1) In these regulations'
- (a) 'Company' means \*\*\*\***KABRA JEWELS LIMITED**.
  - (b) 'Office' means the Registered Office of the Company.
  - (c) 'Act' means the Companies Act, 2013 and any statutory modification thereof.
  - (d) 'Seal' means the Common Seal of the Company.
  - (e) 'Director' means a director appointed to the Board of a company.
- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.
- (3) The Company is a Public Company Limited by Shares within the meaning of Section 2 (71) of the Companies Act, 2013 and accordingly
- "Public company" means a company
- (a) is not a private company;
  - (b) has a minimum paid-up share capital as may be prescribed:
- Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles;

#### **Share capital and variation of rights**

- II. 1.** Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
- 2.** (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided—
- (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
    - (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
  4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
  5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
    - (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
    - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
  6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
    - (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
  7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
  8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### **Lien**

9. (i) The company shall have a first and paramount lien—
  - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

- (iii) That the fully paid-up shares shall be free from all kind of lien and that in the case of partly paid-up shares the issuers lien shall be restricted to monies called or payable at the fixed time in respect of such shares.
- 10.** The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
- Provided that no sale shall be made—
- (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- 11.**
- (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
  - (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
  - (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 12.**
- (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
  - (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **Calls on shares**

- 13.**
- (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
- Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
  - (iii) A call may be revoked or postponed at the discretion of the Board.
- 14.** A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
- 15.** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 16.**
- (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
  - (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 17.**
- (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
  - (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 18.** The Board—
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### **Transfer of shares**

- 19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
  - (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
  - (iii) That the company shall use a common form of transfer.
  - (iv) That the registration of transfer shall not be refused on the grounds of the transferor being either alone or jointly with any person or persons indebted to the issuer on any account whatsoever.
20. The Board may, subject to the right of appeal conferred by section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - (b) any transfer of shares on which the company has a lien.
21. The Board may decline to recognize any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of shares.
22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### **Transmission of shares**

- 23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
  - (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.



- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
27. In case of a One Person Company—
- Forfeiture of shares**
28. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
29. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
30. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
31. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
32. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
33. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
34. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account

of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **Alteration of capital**

- 35.** The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- 36.** Subject to the provisions of section 61, the company may, by ordinary resolution, —
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
- 37.** Where shares are converted into stock, —
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
- 38.** The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, —
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

#### **Capitalisation of profits**

- 39.** (i) The company in general meeting may, upon the recommendation of the Board, resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

- (c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - (d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
40. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

#### **Buy-back of shares**

41. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **General meetings**

42. All general meetings other than annual general meeting shall be called extraordinary general meeting.
43. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
- (iii) that option or right to call of shares shall not be given to any person except with the sanction of the company in general meeting

#### **Proceedings at general meetings**

44. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
45. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
46. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

47. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

48. In case of a One Person Company—

#### **Adjournment of meeting**

49. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **Voting rights**

50. Subject to any rights or restrictions for the time being attached to any class or classes of shares, —
- (a) on a show of hands, every member present in person shall have one vote;  
and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
52. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
53. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
54. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
55. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
56. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **Proxy**

57. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
59. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority

under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **Board of Directors**

- 60.** Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (Fifteen).

Following are First Directors of the Company;

**1. KAILASH SATYANARAYAN KABRA**

**2. JITESH RAJENDER MALPANI**

- 61.** (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
- (b) in connection with the business of the company.
- (c) director other than the Managing/ Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees as may be decided by the Board, however, not exceeding a sum prescribed in the Act for attending meetings of the Board of directors or meetings of the Committees of the Board of Directors thereof;
- 62.** The Board may pay all expenses incurred in getting up and registering the company.
- 63.** The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
- 64.** All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
- 65.** Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
- 66.** (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### **Proceedings of the Board**

- 67.** (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- 68.** (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

69. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
70. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
71. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
72. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
73. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
74. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
75. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

76. Subject to the provisions of the Act, —
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
77. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **The Seal**

78. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **Dividends and Reserve**

- 79.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 80.** Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
- 81.** (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 82.** (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- (iv) there will be no forfeiture of unclaimed dividends before the claim becomes barred by law,
- (v) that any amount paid-up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof, in a dividend subsequently declared,
- 83.** The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
- 84.** (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- 85.** Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- 86.** Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- 87.** No dividend shall bear interest against the company.

#### **Accounts**

- 88.** The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

### **Winding up**

89. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- I. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
  - II. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
  - III. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **Indemnity**

90. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

### **Dematerialization of Securities**

91. Subject to the provisions of the Act and rules made thereunder the Company may offer its Members facility to hold Securities issued by it in dematerialized form and will offer the Securities for subscription in dematerialized form. Notwithstanding anything contained herein, the Company shall be entitled to treat the person whose names appear in the Register of Members as a holder of any Share / Securities or whose names appear as beneficial owners of Shares/Securities in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as required by law) be bound to recognize any benami trust or equity or equitable contingent or other claim to or interest in such Share / Security on the part of any other person whether or not it shall have express or implied notice thereof.

### **Further Issue of Capital**

92. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –
- a. persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
  - b. Employees under any scheme of employees' stock option; or
  - c. any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
93. (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules and SEBI guidelines.

### **Registers**

94. The Company shall keep and maintain at its registered office or such other place as may be permitted under the Act and approved by the Board, all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.

The registers and their indices (except when they are closed under the provisions of the Act) and copies of annual return shall be open for inspection during business hours at such reasonable time on every working day other than Saturdays, at the registered office of the Company by the persons entitled



thereto in accordance with the provisions of the Act and applicable laws, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules

The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. Foreign register

Subject to the provisions of the Act, the foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members

#### **Secrecy Clause**

95. Subject to the provisions of the Act, no member shall be entitled to require discovery of any information respecting any detail of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors it may be inexpedient in the interest of the Company to communicate to the public.

#### **Others**

96. **A. Employee Stock Option Scheme**

Subject to and in accordance with the provisions of the Act and any other rules regulations or guidelines as may be prescribed if any the Company may frame guidelines or scheme to be known as Employee Stock Option Scheme (ESOPS) ESOS may provide for the issue of Options shares warrants bonds or other debt instruments including the terms of payment. The Board of Directors in pursuance to approval of shareholders of the Company shall have the power to vary alter or amend the terms and conditions of the ESOS at their sole discretion in such manner as they may deem fit in the best interest of the company.

**B. Issue of Sweat Equity Shares**

Notwithstanding anything contained in these articles the Company shall have right to issue sweat equity shares to its promoters Directors employees or to such other persons as may be decided by the Board in accordance with the provisions of the Companies Act, 2013 and any statutory amendments or re-enactment thereof.

**C. Borrowing powers**

The Board may from time to time for the purpose of the Company's business raise or borrow or secure the payment of any sum or sums exceeding paid up capital and free reserves in addition to temporary loans if any obtained from the Company's bankers as they in their discretion deem fit and proper with such approval from the members. Any such money may be raised or the payment or repayment of thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds perpetual or redeemable debentures stocks of the Company charged upon all or any part of the property of the Company both present and future including its uncalled capital for the time being or by mortgaging or charging or pledging any lands buildings machinery plant goods or other property and securities of the Company or by other means as the Board deems expedient.

#### **D. Managing Director or Whole Time Director**

The Board of Directors may from time to time appoint one or more of their body to the office of the Managing Director or whole time Director for such period and on such remuneration and other terms as they think fit and subject to the terms of any agreement entered into in any particular case may revoke such appointment. His appointment will be automatically terminated if they ceases to be a Director. Such appointment can be made with the formal Letter of Appointment and by passing of resolution as may be required in the Act. However-

- i. Ratification from shareholders for appointment of Managing Director or Whole Time Director shall not be required.
- ii. A notice of the Board Meeting proposing a resolution required to be passed for appointment of Managing Director or Whole Time Director shall not mandatorily contain Terms Conditions of appointment and details pertaining to remuneration. A Managing or whole time Director maybe paid such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in other) as the Board of Directors may determine and subject to the provisions of Section 197 198 and Schedule V of the Companies Act, 2013. The Board of Directors subject to the provisions of the Act may entrust to and confer upon a Managing or whole time Director or Committee of Directors any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke withdraw or alter or vary all or any of such powers.

Further we confirm that no material clause of Article of Association has been left out from disclosure having bearing on the IPO.

*\*\*\*The Extra-Ordinary General meeting is held on 07<sup>th</sup> June, 2012 for the approval of the shareholders for the purpose of change of name of company from Kabra & Malpani Jewels Private Limited to Kabra Jewels Private Limited.*

*\*\*\*\*The Extra-Ordinary General meeting is held on 11<sup>th</sup> May, 2024 for the approval of the shareholders for the purpose of change of name of company subject to conversion of company from Private Limited to Public Limited Company*

## **SECTION X: OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### **Material Contracts for the Issue**

1. Issue Agreement dated August 23, 2024 entered between our Company and the Book Running Lead Manager.
2. Registrar Agreement dated August 23, 2024 entered into amongst our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated January 07, 2025 among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Tripartite Agreement dated June 12, 2024 between our Company, NSDL and the Registrar to the Issue. Tripartite Agreement dated June 11, 2024 between our Company, CDSL and the Registrar to the Issue.
5. Market Making Agreement dated January 03, 2025 between our Company, Book Running Lead Manager and Market Maker.
6. Underwriting Agreement dated January 03, 2025 between our Company and the Underwriters.
7. Syndicate Agreement dated January 06, 2025 between our Company and the Syndicate Member.

#### **Material Documents**

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company, as amended from time to time;
2. Certificate of incorporation dated July 21, 2010 issued by the Registrar of Companies;
3. Fresh certificate of incorporation dated June 28, 2012 issued by Registrar of Companies at the time of name changes of the company from Kabra & Malpani Jewels Private Limited to Kabra Jewels Private Limited.
4. Fresh certificate of incorporation dated August 05, 2024 issued by Registrar of Companies at the time of conversion from Private Limited to Public Limited.
5. Resolutions of our Board of Directors dated August 09, 2024 in relation to the Issue and other related matters;
6. Shareholders resolution dated August 13, 2024 in relation to this Issue and other related matters;
7. Resolution of the Board of Directors of the Company dated September 12, 2024 taking on record and approving Draft Red Herring Prospectus
8. Resolution of the Board of Directors of the Company dated January 07, 2025 taking on record and approving this Red Herring Prospectus.
9. Copies of Audited Financial Statements of our Company for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022.
10. Copies of Audited Financial Statements of our Company for the period ended November 30, 2024.
11. The examination report dated August 26, 2024 of Peer Reviewed Auditors on our Restated Financial Statements, included in Draft Red Herring Prospectus;
12. The examination report dated January 03, 2025 of Peer Reviewed Auditors on our Restated Financial Statements, included in Red Herring Prospectus;
13. Copies of the Restated Financial Statement of our Company period ended March 31, 2024, 2023 and 2022 issued by Peer Review Auditor dated August 26, 2024;
14. Copies of the Restated Financial Statement of our Company for the period ended November 30, 2024 issued by Peer Review Auditor dated January 03, 2025;

15. Resolution dated August 27, 2024 from Audit committee for KPI. Certificate on KPI's issued by Peer Review Auditor dated August 27, 2024.
16. Resolution dated January 04, 2025 from Audit committee for KPI. Certificate on KPI's issued by Peer Review Auditor dated January 04, 2025.
17. Statement of Tax Benefits dated August 26, 2024 from the Peer Reviewed Auditors included in Draft Red Herring Prospectus;
18. Statement of Tax Benefits dated January 04, 2025 from the Peer Reviewed Auditors included in Red Herring Prospectus;
19. Consent of the Promoters, Directors, Senior Managerial Personnel, Statutory Auditor of the Company the Book Running Lead Manager, the Legal Counsel to our Issue, the Registrar to the Issue, the Company Secretary and Compliance Officer and the Chief Financial Officer, Underwriters, Market Maker to act in their respective capacities.
20. Due diligence certificate dated September 12, 2024 issued by Book Running Lead Manager BRLM;
21. In principle listing approval dated December 26, 2024 issued by NSE;

## **DECLARATION**

I, the undersigned hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We, further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTORS OF OUR COMPANY**

**SD/-**

**Kailash Kabra**

**Managing Director**

**Place: Ahmedabad**

**Date: January 07, 2025**

## **DECLARATION**

I, the undersigned hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We, further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTOR OF OUR COMPANY**

**SD/-**

**Jyothi Kailash Kabra**

**Executive Director**

**Place: Ahmedabad**

**Date: January 07, 2025**

## **DECLARATION**

I, the undersigned hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We, further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTORS OF OUR COMPANY**

**SD/-**

**Nimesh Puranprakash Phophalia**  
**Non-Executive Non-Independent Director**  
**Place: Mumbai**  
**Date: January 07, 2025**

## **DECLARATION**

I, the undersigned hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We, further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTORS OF OUR COMPANY**

**SD/-**

**Indira Suresh Vora**

**Non-Executive Independent Director**

**Place: Ahmedabad**

**Date: January 07, 2025**



## **DECLARATION**

I, the undersigned hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We, further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTORS OF OUR COMPANY**

**SD/-**

**Hetal Karshanbhai Vaghela**

**Non-Executive Independent Director**

**Place: Ahmedabad**

**Date: January 07, 2025**

## **DECLARATION**

I, the undersigned hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We, further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

**SD/-**

**Rahul Jitendrakumar Shah**

**Chief Financial Officer**

**Place: Ahmedabad**

**Date: January 07, 2025**

## **DECLARATION**

I, the undersigned hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We, further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY**

**SD/-**

**Hiral Ishan Dave**

**Company Secretary and Compliance Officer**

**Place: Ahmedabad**

**Date: January 07, 2025**