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DRAFT RED HERRING PROSPECTUS
Dated September 05, 2022
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)

100% Book Built Offer

MANOJ VAIBHAV GEMS 'N' JEWELLERS LIMITED

CORPORATE IDENTITY NUMBER: U55101AP1989PLC009734

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar, Visakhapatnam - 530016, Andhra Pradesh, India	D. No:- 47-10-19, 2nd Lane, Dwarakanagar, Visakhapatnam, Andhra Pradesh – 530 016, India	Bandari Shiva Krishna *Company Secretary and Compliance Officer*	**Email:** cs@vaibhavjewellers.com Tel - + (91) 89 1663 7777	www.vaibhavjewellers.com

PROMOTERS OF OUR COMPANY: GRANDHI BHARATA MALLIKA RATNA KUMARI (HUF), BHARATA MALLIKA RATNA KUMARI GRANDHI AND GRANDHI SAI KEERTHANA

DETAILS OF THE OFFER

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	Eligibility
Fresh Issue and Offer for Sale	Up to [●] Equity Shares aggregating up to ₹ 2100.00 million.	Up to 4,300,000 Equity Shares aggregating up to ₹ [●] million	Up to [●] Equity Shares aggregating up to ₹ [●] million	The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For details in relation to share reservation among QIBs, NIIs and RIIs, please see the chapter entitled "Offer Structure" on page 348.

SHARE RESERVATIONS AMONGST QIBs, NIIs AND RIIs

QIBs	NIIs	RIIs
Not more than 50% of the Offer (of which up to 60.00% shall be available for allocation to Anchor Investors)	Not less than 15% of the Offer	Not less than 35% of the Offer

DETAILS OF OFFER FOR SALE BY THE PROMOTER SELLING SHAREHOLDER.

NAME OF PROMOTER SELLING SHAREHOLDER	TYPE	NUMBER OF SHARES OFFERED /AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION ON FULLY DILUTED BASIS* (IN ₹ PER EQUITY SHARE)*
Grandhi Bharata Mallika Ratna Kumari (HUF)	Promoter	Up to 4,300,000 Equity Shares aggregating up to ₹ [●] million	9.71

**As certified by our Statutory Auditor, M/s. Sagar & Associates, Chartered Accountants, pursuant to their certificate dated September 03, 2022.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Floor Price, the Offer Price and the Price Band (determined by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for the Offer Price*" on page 102, should not be taken 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 and/or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and this Offer, including the risks involved. The Equity Shares in this Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section entitled "*Risk Factors*" on page 32.

ISSUER'S AND PROMOTER SELLING SHAREHOLDER'S` ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer which is material in the context of this Offer, that the information contained in this Draft 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 make this Draft 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. The Promoter Selling Shareholder, accepts responsibility for and confirms that the statements specifically made or confirmed by such Promoter Selling Shareholder in this Draft Red Herring Prospectus solely to the extent of information specifically pertaining to itself and its respective portion of the Equity Shares offered by it in the Offer for Sale, and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**"). For the purposes of the Offer, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

NAME OF THE BOOK RUNNING LEAD MANAGER AND LOGO	CONTACT PERSON	EMAIL AND TELEPHONE
Bajaj Capital Limited	P. Balraj	**Email**: info@bajajcapital.com **Telephone**: +(91) 11 4169 3000

Elara Capital (India) Private Limited	Namrata Ravasia	**Email**: vaibhav.ipo@elaracapital.com **Telephone**: +(91) 22 6164 859

REGISTRAR TO THE OFFER

NAME OF REGISTRAR	CONTACT PERSON	EMAIL AND TELEPHONE
Bigshare Services Private Limited	Mr. Jibu John	**Email**: ipo@bigshareonline.com **Telephone**: +91 22 6263 8200

BID/OFFER PROGRAMME

ANCHOR INVESTOR BIDDING PERIOD	[●]*	BID/OFFER OPENS ON	[●]*	BID/OFFER CLOSES ON	[●]**

* *Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*

** *Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

DRAFT RED HERRING PROSPECTUS
Dated September 05, 2022
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

MANOJ VAIBHAV GEMS 'N' JEWELLERS LIMITED

Our Company was originally incorporated as a private limited company under the provisions of the Companies Act, 1956 on March 13, 1989 as "*Hotel Anant Private Limited*". The name of Company was changed to Hotel Anant Limited vide Certificate of incorporation dated March 09, 1998 issued by the Registrar of Companies, Andhra Pradesh on account of the Company becoming a deemed public company. The name of Company was changed to "Hotel Anant Private Limited" vide Certificate of incorporation dated September 13, 2002 issued by the Registrar of Companies, Andhra Pradesh to our Company regaining its status as a private limited company. The name of our Company was subsequently changed to "*Vaibhav Empire Private Limited*" pursuant to fresh certificate of incorporation issued by the Registrar of Companies, Hyderabad, Andhra Pradesh dated June 11, 2003. Subsequently, the name of our Company was changed to "*Manoj Vaibhav Gems 'N' Jewellers Private Limited*" and a fresh certificate of incorporation was issued by the Registrar of Companies, Hyderabad, Telangana dated July 04, 2016. Pursuant to a special resolution passed by our shareholders dated April 30, 2022, our Company was converted to a public limited company and our name was changed to "*Manoj Vaibhav Gems 'N' Jewellers Limited*". A fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Vijayawada, Andhra Pradesh ("**RoC**") dated May 13, 2022. For further details in relation to change in name and Registered Office of our Company, please see the chapter titled "*History and Certain Corporate Matters*" beginning on page192.

Corporate Identity Number: U55101AP1989PLC009734

Registered Office: 47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar, Visakhapatnam - 530016, Andhra Pradesh, India; **Tel**: + (91) 89 1663 7777

Corporate Office: D. No. 47-10-19, 2nd Lane, Dwarakanagar, Visakhapatnam, Andhra Pradesh – 530 016; **Tel**: + (91) 089 1663 6666

Contact Person: Bandari Shiva Krishna, Company Secretary and Compliance Officer; **Tel**: + (91) 089 1663 6666

E-mail: cs@vaibhavjewellers.com; **Website**: www.vaibhavjewellers.com;

OUR PROMOTERS: GRANDHI BHARATA MALLIKA RATNA KUMARI (HUF), BHARATA MALLIKA RATNA KUMARI GRANDHI AND GRANDHI SAI KEERTHANA

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2100.00 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 4,300,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY GRANDHI BHARATA MALLIKA RATNA KUMARI (HUF) (PROMOTER SELLING SHAREHOLDER) AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE PROMOTER SELLING SHAREHOLDER, THE "OFFER FOR SALE").THE OFFER WOULD CONSTITUTE [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER, IN CONSULTATION WITH THE THE BOOK RUNNING LEAD MANAGERS ("BRLMS"), MAY CONSIDER A PRE-IPO PLACEMENT OF EQUITY SHARES UP TO [●] EQUITY SHARES BY OUR COMPANY, FOR CASH CONSIDERATION AGGREGATING UP TO ₹ 400.00 MILLION (THE "PRE-IPO PLACEMENT") WHICH SHALL NOT EXCEED 20% OF FRESH ISSUE SIZE. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMS AND THE PRE-IPO PLACEMENT WILL BE UNDERTAKEN PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE AMOUNT RAISED FROM THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957 AS AMENDED ("SCRR").

THE PRICE BAND AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS") AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER WITH WIDE CIRCULATION, ALL EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER WITH WIDE CIRCULATION AND ALL EDITIONS OF [●], A TELUGU NEWSPAPER WITH WIDE CIRCULATION (TELUGU BEING THE REGIONAL LANGUAGE OF ANDHRA PRADESH, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") ('NSE' TOGETHER WITH 'BSE', THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE 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 to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, 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, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the BRLMs and at the terminals of the Syndicate Member(s) and by intimation to the Designated Intermediaries and the Sponsor Bank, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs" and such portion the **"QIB Portion"**). Our Company and the Promoter Selling Shareholder, may in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**"), of which at one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allotment is made to the Anchor Investors (**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 to Mutual Funds only, and the remainder of the Net 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 Offer 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 Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹ 200,000 and upto ₹ 1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of non-institutional investors*and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders, (expect Anchor Investors), are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Accounts (as defined hereinafter) including UPI ID in case of RIBs in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Banks 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 Offer through the ASBA process. For further details, please see the chapter titled *"Offer Procedure*" beginning on page 353.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Floor Price, the Offer Price or the Price Band (determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under chapter titled "*Basis for Offer Price*" beginning on page102, should not be taken 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 of our Company, 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 the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI"**), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to section titled "*Risk Factors*" beginning on page 32.

COMPANY'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of the Offer, that the information contained in this Draft 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 Draft 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. Further, the Promoter Selling Shareholder accepts responsibility for, and confirms, that the statements made or confirmed by it in this Draft Red Herring Prospectus to the extent that the statements and information specifically pertain to it and the Equity Shares offered by it under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect. The Promoter Selling Shareholder assumes no responsibility for any other statements, including, inter alia, any of the statements made by or relating to our Company.

LISTING

The Equity Shares, to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated **[●]** and **[●]**, respectively. For the purposes of this Offer, the Designated Stock Exchange shall be **[●]**. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, please see the chapter titled "*Material Contracts and Documents for Inspection*" beginning on page 396**.**

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
Bajaj Capital Limited Mezzanine Floor, Bajaj House, 97, Nehru Place, New Delhi -110019, India **Tel:** +91 11 4169 3000 **E-mail:** info@bajajcapital.com **Website:** www.bajajcapital.com **Investor grievance e-mail:** info@bajajcapital.com **Contact person:** P. Balraj **SEBI Registration No:** INM000010544	**Elara Capital (India) Private Limited** One International Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai 400 013 **Tel**: +91 (22) 6164 8599 **Email**: vaibhav.ipo@elaracapital.com **Investor Grievance Email**: mb.investorgrievances@elaracapital.com **Website**: www.elaracapital.com **Contact Person**: Namrata Ravasia **SEBI Registration No**.: INM000011104	**Bigshare Services Private Limited** Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, India **Tel**: +91 22 6263 8200; **Facsimile**: +91 22 6263 8280 **Email**: ipo@bigshareonline.com **Investor grievance email**: investor@bigshareonline.com **Contact Person**: Mr. Jibu John **Website**: www.bigshareonline.com **SEBI Registration Number**: INR000001385

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	**[●]***
BID/OFFER CLOSES ON	**[●]****

* *Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Shall Bid during the Anchor Investor Bidding Date i.e., one Working Day prior to the Bid/Offer Opening Date.*

** *Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise implies or requires, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Draft Red Herring Prospectus, 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 Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "Industry Overview", Key Regulations and Policies", "Statement of Special Tax Benefits", "Financial Information", "Basis for the Offer Price", "Outstanding Litigation and Other Material Developments", "Restriction on Foreign Ownership of Indian Securities" and "Description of Equity Shares and Terms of Articles of Association", on pages 111, 183, 106, 234, 102, 321, 375 and 377, respectively, will have the meaning ascribed to such terms in those respective sections.

General terms

Term	Description
"our Company", "the Company" or "the Issuer"	Manoj Vaibhav Gems 'N' Jewellers Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar, Visakhapatnam - 530016, Andhra Pradesh, India and Corporate Office at D.No.47-10-19, 2nd Lane, Dwarakanagar, Visakhapatnam, 530 016, Andhra Pradesh, India respectively**.**
"we", "us", "our" or "Group"	Unless the context otherwise indicates or implies, refers to our Company

Company-related terms

Term	Description
"Articles" or "Articles of Association" or "AoA"	The articles of association of our Company, as amended
"Audit Committee"	The audit committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 202.
"Auditor"/"Statutory Auditor"	The current statutory auditor of our Company, being, M/s. Sagar & Associates, Chartered Accountants.
"Board" or "Board of Directors"	The board of directors of our Company, as constituted from time to time or any committee thereof
"Chairperson and Managing Director"	The Chairperson of our Board and the Managing Director of our Company, being Bharata Mallika Ratna Kumari Grandhi
"Chartered Engineer"	G. Sekhar Reddy
"Chief Executive Officer"	The chief executive officer of our Company, being Satish Ramanujakoodam. *For details, see "Our Management – Key Managerial Personnel" on page* 220
"Chief Financial Officer"	The chief financial officer of our Company, being Grandhi Sai Keerthana. *For details, see "Our Management – Key Managerial Personnel" on page* 220
"Company Secretary and Compliance Officer"	Company secretary and compliance officer of our Company, namely, Bandari Shiva Krishna. *For details, see "Our Management – Key Managerial Personnel" on page* 220
"Corporate Office"	The corporate office of our Company is situated at D.No.47-10-19, 2nd Lane, Dwarakanagar, Visakhapatnam, Andhra Pradesh, 530 016, India

"Corporate Social Responsibility Committee" / "CSR Committee"	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, 2013 as described in "*Our Management*" on page 202.
"CRM"	Customer Relationship Management
"COO"	Chief Operating Officer
"Director(s)"	Director(s) on the Board of our Company, as appointed from time to time
"Equity Shares"	Equity shares of our Company of face value of ₹ 10 each
"Executive Directors"	Executive director(s) of our Company. For further details of the Executive Directors, please see chapter entitled "*Our Management*" on page 202.
"Group Companies"	The group companies of our Company namely, Manoj Vaibhav Jewellers Private Limited, Vaibhav Hotesl & Leisures (Visakhapatnam) Private Limited, Vaibhav Jewellers Private Limited and Harshil Enterprises (India) Private Limited in accordance with the SEBI ICDR Regulations. For details, see "Our Group Companies" on page 230.
"GRN"	Goods Receipt Note
"GTM"	Go to Market
"Individual Promoter"	The Individual Promoters of the Company are Bharata Mallika Ratna Kumari Grandhi and Grandhi Sai Keerthana
"IPO Committee"	The IPO committee of our Board constituted on August 22, 2022
"Independent Director"	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, please see the chapter entitled '*Our Management'* beginning on page 202
"KMP" or "Key Managerial Personnel"	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, as disclosed in "*Our Management – Key Managerial Personnel*" on page 220.
"Materiality Policy"	The materiality policy of our Company adopted pursuant to a resolution of our Board dated August 22, 2022 for identification of the 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 Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus
"Memorandum" or "Memorandum of Association" or "MoA"	The Memorandum of association of our Company, as amended, from time to time
"Mobile Applications"	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes& intmI d=43 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.
"Non – Executive Director(s)"	Non-executive and non-independent directors (s) of our Company.
"Nomination, and Remuneration Committee"	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, and as described in chapter entitled "*Our Management*" beginning on page 210.
"Predecessor Auditor"	KKS Swamy
"Promoters"	Promoters of our Company namely, Grandhi Bharata Mallika Ratna Kumari (HUF), Bharata Mallika Ratna Kumari Grandhi, and Grandhi Sai Keerthana. For further details, see "*Our Promoters and Promoter Group*" on page 223.
"Promoter Group"	Such individuals and entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details, see "*Our Promoters and Promoter Group*" on page 227.
"Promoter Selling Shareholder"	Grandhi Bharata Mallika Ratna Kumari (HUF)

"Promoter Group"	Such individuals and entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see "*Our Promoters and Promoter Group*" on page 227.
"Registered Office"	The registered office of our Company is situated at 47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar, Visakhapatnam, Andhra Pradesh, 530 016, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Vijayawada at Andhra Pradesh
"Restated Financial Information" or "Restated Financial Statements"	The restated financial statements of our Company, comprising of restated statement of assets and liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, , the restated statement of profit and loss, the restated statement of cash flows and the restated statement of changes in equity for financial year ending March 31, 2022, 2021 and 2020 and the summary of significant accounting policies and explanatory notes and notes to restated financial information prepared in terms of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note to the on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, each as amended and included in "Financial Information" on page 234.
"Risk Management Committee"	The risk management committee of our Company, described in "Our Management – Corporate Governance" on page 214 of this Draft Red Herring Prospectus.
"SCM"	Supply Chain Management
"Shareholder(s)"	The holders of the Equity Shares, from time to time
"Stakeholders' Relationship Committee"	The stakeholders' relationship committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, as described in "*Our Management*" on page 212.
"STN"	Stock Transfer Note
"Technopak"	Technopak Advisors Private Limited
"Technopak Report"	Report prepared by Technopak titled "*Industry Report on Indian Jewellery Retail Industry*" dated August 31, 2022, which is exclusively prepared for the purpose of understanding the industry in connection with the Offer and is commissioned and paid for by our Company. Technopak was appointed by our Company pursuant to an engagement letter dated January 25, 2022. Technopak Report is available on the website of our Company at https://www.vaibhavjewellers.com/investor-relations
"Vaibhav Jewellers"	The brand name of our Company by which we are recognised
"Whole-Time Director(s)"	The whole-time directors of our Company as described in "*Our Management*" on page 202.

Offer Related Terms

Term	Description
"Abridged Prospectus"	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
"Acknowledgement Slip"	The slip or document issued by relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allotment", "Allot" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares offered by the Promoter Selling Shareholder pursuant to the Offer for Sale to the successful Bidders
"Allotment Advice"	A note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
"Allottee"	A successful Bidder to whom the Equity Shares are Allotted
"Anchor Investor(s)"	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 ₹100 million
"Anchor Investor Allocation Price"	The price at which Equity Shares will be allocated to Anchor Investors on the Anchor Investor Bidding Date in terms of the Red Herring Prospectus and the Prospectus which will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs
"Anchor Investor Application Form"	Form used by an Anchor Investor to Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
"Anchor Investor Bid/Offer" or "Anchor Investor Bidding Date"	The date, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
"Anchor Investor Offer Price"	The final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs
"Anchor Investor Pay – in Date"	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Offer Price a date being, not later than two Working Days after the Bid/Offer Closing Date
"Anchor Investor Portion"	Up to 60% of the QIB Portion, which may be allocated by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. 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 accordance with the SEBI ICDR Regulations
"Applications Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
"ASBA Account"	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by an RIB linked to a UPI ID, which will be blocked in relation to a Bid by a RIB Bidding through the UPI Mechanism to the extent of the Bid Amount of the ASBA Bidder.
"ASBA Bid"	A Bid made by an ASBA Bidder
"ASBA Bidder(s)"	All Bidders except Anchor Investors
"ASBA Form"	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus

Term	Description
“Bajaj Capital/BCL”	Bajaj Capital Limited
“Banker(s) to the Offer”	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank, as the case may be
“Basis of Allotment”	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in “*Offer Procedure*” on page 353.
“Bid(s)”/"Offer Period”	An indication by the Bidder (other than and Anchor Investor) to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of an Anchor Investor Application 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 Bid cum Application form. The term “Bidding” shall be construed accordingly
“Bid Amount”	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable
“Bid cum Application Form”	Anchor Investor Application Form or the ASBA Form, as the context requires
“Bidder” / “Applicant”	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor
“Bidding Centres”	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
“Bid Lot”	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
“Bid/Offer Closing Date”	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and all editions of [●], a Telugu newspaper (Telugu being the regional language of Andhra Pradesh, where our Registered Office is located), each with wide circulation. In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations. Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
“Bid/Offer Opening Date”	Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, being [●], which shall be published in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and all editions of [●], a Telugu newspaper (Telugu being the regional language of Andhra Pradesh, where our Registered Office is located), each with wide circulation, and in case of any revision, the extended Bid/ Offer Opening Date shall also be widely disseminated by notification to the Stock Exchanges by issuing a press release and also to be notified on the

Term	Description
	website and terminals of the Members of the Syndicate and communicated to the Designated Intermediaries and the Sponsor Banks, as required under the SEBI ICDR Regulations.
"Bid/Offer Period"	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereto in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Offer Period will comprise of Working Days only
"Book Building Process"	The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely Bajaj Capital Limited and Elara Capital (India) Private Limited
"Broker Centres"	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms, provided that RIBs may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism, to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges. 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 (www.bseindia.com and www.nseindia.com), and updated from time to time
"CAN" or "Confirmation of Allocation Note"	The note or advice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date
"Cap Price"	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted including any revisions thereof. Cap price shall be at least 105% of the Floor Price and shall not exceed 120% of the Floor Price.
"Cash Escrow and Sponsor Bank Agreement"	Agreement dated [●] entered amongst our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Member, the Banker(s) to the Offer, *inter alia*, the appointment of the Sponsor Bank in accordance with the UPI Circular, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
"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, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and any subsequent circulars or notifications issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard from time to time.
"Client ID"	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account
"Collecting Depository	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and

Term	Description
Participant" or "CDP"	who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time
"Cut-off Price"	The Offer Price, as finalised by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
"Demographic Details"	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation, PAN, DP ID, Client ID and bank account details and UPI ID, where applicable
"Designated SCSB Branches"	Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
"Designated CDP Locations"	Such locations of the CDPs where Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
"Designated Date"	The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors or IPO Committee may Allot Equity Shares to successful Bidders in the Offer
"Designated Intermediaries"	In relation to ASBA Forms submitted by RIBs with an application size of up to ₹ 2,00,000 and Non-Institutional Bidders Bidding with an application size of up to ₹ 500,000 (not using the UPI mechanism) by 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 RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB 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 Bidders can submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
"Designated Stock Exchange"	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated September 05, 2022, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares will be allotted and the size of the Offer, and includes any addenda or corrigenda thereto
"Elara"	Elara Capital (India) Private Limited
"Eligible FPIs"	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
"Eligible NRIs"	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, on a non-repatriation basis, from jurisdictions outside India where it is not unlawful to make an offer or invitation under

Term	Description
	the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
"Escrow Account(s)"	Accounts opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid
"Escrow Collection Bank(s)"	The banks which are clearing members and registered with SEBI as Bankers to an issue under the BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being [●]
"First or sole Bidder"	The Bidder whose name shall be mentioned in the Bid cum 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
"Floor Price"	The lower end of the Price Band, i.e., ₹ [●] subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids, will be accepted
"Fraudulent Borrower"	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
"Fresh Issue"	The fresh issue component of the Offer comprising of an issuance of up to [●] Equity Shares at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 2100.00 million by our Company. Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider a Pre-IPO Placement of up to [●] Equity Shares by our Company, for cash consideration aggregating up to ₹ 400.00 million which shall not exceed 20% of Fresh Issue size. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Pre-IPO Placement will be undertaken prior to filing of the Red Herring Prospectus with the ROC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with rule 19(2)(b) of the securities contracts (regulation) rules, 1957 as amended.
"General Information Document" or "GID"	The General Information Document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 issued by SEBI, suitably modified and updated pursuant to, among others, the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 issued by SEBI and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs.
"Gross Proceeds"	The Offer proceeds from the Fresh Issue, including the proceeds, if any, received pursuant to the Pre-IPO Placement.
"Monitoring Agency"	[●]
"Mutual Fund"	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
"Mutual Fund Portion"	Up to 5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
"NBFC-SI"	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
"Net Proceeds"	The Gross Proceeds less our Company's share of the Offer-related expenses applicable to the Fresh Issue. For further details about use of the Net Proceeds and the Offer related expenses, see "*Objects of the Offer*" on page 92.
"Net QIB Portion"	QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Investors" or "NII(s)" or "Non-Institutional Bidders" or "NIB(s)"	All Bidders, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of 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 Offer, consisting of [●] Equity Shares,

Term	Description
	which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: a. one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more two lakh rupees and up to ten lakhs rupees; and b. two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ten lakhs rupees. Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Bidders.
“Non-Resident” or “NR”	A person resident outside India, as defined under FEMA
“Offer”	Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million consisting of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2100.00 million by our Company and an Offer for Sale of up to 4,300,000 Equity Shares aggregating up to ₹ [●] million, by the Promoter Selling Shareholder. Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of such number of securities for cash consideration aggregating up to ₹ 400.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.
“Offer Agreement”	The agreement dated September 05, 2022 amongst our Company, the Promoter Selling Shareholder and the BRLMs, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer.
“Offer for Sale”	The offer for sale of up to 4,300,000 Equity Shares aggregating up to ₹ [●] million, by the Promoter Selling Shareholder.
“Offer Size”	Initial public offer of up to [●] Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ 2100.00 million.
“Offered Shares”	Up to 4,300,000 Equity Shares aggregating up to ₹ [●] million being offered for sale by the Promoter Selling Shareholders in the Offer for Sale.
“Offer Proceeds”	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Promoter Selling Shareholder.
“Offer Price”	₹ [●] per Equity Share, being the final price within the Price Band, at which the Equity Shares will be Allotted to successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, in accordance with the Book Building Process on the Pricing Date and in terms of the Red Herring Prospectus
“Pre-IPO Placement”	A Pre-IPO placement by our Company of Equity Shares up to [●] Equity Shares by our Company, for cash consideration aggregating up to ₹400.00 million which shall not exceed 20% of Fresh Issue size. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Pre-IPO Placement will be undertaken prior to filing of the Red Herring Prospectus with the ROC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 as amended.

Term	Description
"Price Band"	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) and includes any revisions thereof The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, and which shall be published in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and all editions of [●], a Telugu newspaper (Telugu being the regional language of Andhra Pradesh, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
"Pricing Date"	The date on which our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, will finalise the Offer Price
"Promoters' Contribution"	Aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company that is eligible to form part of the minimum promoters' contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoters, which shall be locked in for a period of 18 months from the date of Allotment
"Prospectus"	The prospectus to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
"Public Offer Account(s)"	Bank account to be opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date
"Public Offer Account Bank(s)"	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) will be opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
"Public Offer Account(s)"	Bank account to be opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date
"QIB Category" / "QIB Portion"	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of [●] Equity Shares aggregating to ₹[●] million which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs and the Promoter Selling Shareholder), subject to valid Bids being received at or above the Offer Price
"Qualified Institutional Buyers" or "QIBs"	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. In accordance with the FEMA Rules, other non-residents such as, Eligible NRIs applying on a repatriation basis, FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Offer. For details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 375
"QIB Bidders"	QIBs who Bid in the Offer.
"QIB Portion"	The portion of the Offer (including Anchor Investor Portion) being not more than 50% of the Offer, which shall be available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall 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 Offer Price
"QIB Bid/ Offer Closing Date"	In the event our Company in consultation with the BRLMs, decide to close Bidding by QIBs one day prior to the Bid/Offer Closing Date, the date one day prior to the Bid/Offer Closing Date; otherwise it shall be the same as the Bid/Offer Closing Date
"Red Herring Prospectus"	The red herring prospectus, including any corrigenda or addenda thereto, to be issued in

Term	Description
or "RHP"	accordance with section 32 of the Companies Act, 2013 and the provisions of 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. The red herring prospectus will be filed with the RoC at least three working days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto.
"Refund Account(s)"	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
"Refund Bank(s)"	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
"Registered Broker"	Stock brokers registered with the stock exchanges having nationwide terminals other than the members of the Syndicate, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
"Registrar Agreement"	The agreement dated September 03, 2022 entered amongst our Company, the Promoter Selling Shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of BSE and NSE, and the UPI Circulars
"Registrar" or "Registrar to the Offer"	Bigshare Services Private Limited
"Resident Indian"	A person resident in India, as defined under FEMA
"Retail Individual Bidders" or "RIB(s)" or "Retail Individual Investors" or "RII(s)"	Individual Bidders (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the Bidding options in the Offer
"Retail Portion" or "Retail Category"	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations which shall not be less than the Minimum Bid Lot, subject to valid Bids being received at or above the Offer Price
"Revision Form"	Form used by the Bidders 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 Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders Bidding in the Retail Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
"Self Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or such other website as may be prescribed by SEBI from time to time Applications through UPI 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 number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, as

Term	Description
	updated from time to time
"Share Escrow Agent"	Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely [●]
"Share Escrow Agreement"	Agreement dated [●] to be entered into amongst our Company, the Promoter Selling Shareholder, and the Share Escrow Agent for deposit of the Equity Shares offered by the Promoter Selling Shareholder in escrow and credit of such Equity Shares to the demat account of the Allottees
"Specified Locations"	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
"Sponsor Bank(s)"	The Banker(s) to the Offer registered with SEBI which is appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●]
"Stock Exchanges"	Collectively, BSE Limited and National Stock Exchange of India Limited
"Sub-Syndicate Members"	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms
"Syndicate Agreement"	Agreement to be entered into amongst our Company, the Promoter Selling Shareholder, the BRLMs, and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
"Syndicate Members"	Intermediaries (other than BRLMs) registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Offer and carry out activities as an underwriter namely, [●]
"Syndicate" or "members of the Syndicate"	Together, the BRLMs and the Syndicate Members
"Systemically Important Non-Banking Financial Company" or "NBFC-SI"	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
"Underwriters"	[●]
"Underwriting Agreement"	The agreement to be entered into amongst the Underwriters, the Promoter Selling Shareholder and our Company on or after the Pricing Date, but prior to filing of the Prospectus
"UPI"	Unified Payments Interface, which is an instant payment mechanism developed by NPCI
"UPI Bidder"	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 issued by SEBI, has prescribed that all individual investors applying in public issues on or after May 1, 2022, where the application amount is up to ₹500,000 shall use UPI and shall provide their UPI ID in the bid-cum-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 website 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 UPI for single-window mobile payment system developed by the NPCI
"UPI Mandate Request"	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by the SCSBs on the website of SEBI and by way of an SMS directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds in the relevant ASBA Account through the UPI linked mobile application equivalent to Bid Amount and subsequent debit of funds in case of Allotment

Term	Description
	In accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&int mId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
"UPI Mechanism"	The Bidding mechanism that may be used by a RIB to make a Bid in the Offer in accordance with the UPI Circulars
"UPI PIN"	Password to authenticate UPI transaction
"Wilful Defaulter or a Fraudulent Borrower"	A wilful defaulter or a fraudulent borrower, as defined under the SEBI ICDR Regulations as amended from time to time or any legislation or any statutory authority
"Working Day"	All days, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, Working Day shall mean all days except all Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays in Mumbai, as per circulars issued by SEBI, including UPI Circulars

Technical/Industry Related Terms/Abbreviations

Term	Description
"Adjusted EBITDA"	Adjusted EBITDA is calculated by deducting other income from EBITDA
"BIS"	Bureau of Indian Standards
"CAIIB"	Certified Associate of Indian Institute of Bankers
"CAGR"	Compound annual growth rate
"CCTV"	Closed-circuit television
"CGST"	Central GST
"CEO"	Chief Executive Officer
"COVID – 19"	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation
"EBITDA"	EBITDA is calculated as restated profit/(loss)for the year/ period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses
"EBITDA Margin"	EBITDA Margin is the percentage of EBITDA divided by total income
"ESI"	Employees' state insurance
"FAPCCI"	Federation of Andhra Pradesh Chambers of Commerce and Industry
"GDP"	Gross domestic product
"GJEPC"	Gem and Jewellery Export Promotion Council
"GSDP"	Gross state domestic product
"GST"	Goods and Services Tax
"IGST"	Inter-state GST
"ISO"	International Organization for Standardization
"MOU"	Memorandum of understanding
"Net Worth"	Total equity attributable to owners of the Company
"ROCE"	Return on capital employed
"ROE"	Return on equity
"SAP"	System applications and products
"SGST"	State GST

Term	Description
"TECCI"	Telangana Chambers of Commerce and Industry

Conventional and General Terms or Abbreviations

Term	Description
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupees
"AGM"	Annual General Meeting
"AIFs"	Alternative investment funds as defined in and registered under the AIF Regulations
"AS"	Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time
"BSE"	BSE 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 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
"Category III AIF"	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
"CDSL"	Central Depository Services (India) Limited
"CIN"	Corporate Identity Number.
"CIT"	Commissioner of Income Tax.
"Companies Act, 1956"	*Erstwhile* Companies Act, 1956 along with the relevant rules made thereunder
"Companies Act" / "Companies Act, 2013"	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended and to the extent currently in force
"COVID – 19"	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and further declared as a pandemic on March 11, 2020
"CSR"	Corporate social responsibility
"Demat"	Dematerialised
"Depositories Act"	Depositories Act, 1996
"Depository" or "Depositories"	NSDL and CDSL
"DIN"	Director Identification Number
"DP Bill"	Data Protection Bill, 2021
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
"DP ID"	Depository Participant's Identification Number
"EGM"	Extraordinary General Meeting.
"EPS"	Earnings per share
"FAQs"	Frequently asked questions.
"FDI"	Foreign direct investment
"FDI Circular or Consolidated FDI Policy"	The consolidated FDI policy, effective from October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India *(earlier known as the Department of Industrial Policy and Promotion)*
"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",	Period of twelve months commencing on April 1 of the immediately preceding calendar year and

Term	Description
"FY" or "F.Y."	ending on March 31 of that particular year, unless stated otherwise
"FPI(s)"	Foreign Portfolio Investor, as defined under the FPI Regulations
"FIPB"	The erstwhile Foreign Investment Promotion Board
"Fugitive Economic Offender"	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018
"FVCI"	Foreign venture capital investors, as defined and registered with SEBI under the FVCI Regulations
"GDP"	Gross domestic product
"GoI" or "Government" or "Central Government"	Government of India
"GST"	Goods and services tax
"HUF"	Hindu undivided family
"IAS Rules"	Companies (Indian Accounting Standards) Rules, 2015, as amended
"ICAI"	The Institute of Chartered Accountants of India
"ICSI"	The Institute of Company Secretaries of India
"ICWAI"	The Institute of Cost & Works Accountants of India
"ICDS"	Income Computation and Disclosure Standards
"IFRS"	International Financial Reporting Standards of the International Accounting Standards Board
"India"	Republic of India
"Ind AS" or "Indian Accounting Standards"	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with IAS Rules
"Ind AS 24"	Indian Accounting Standard 24, "Related Party Disclosures", notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with IAS Rules
"Ind AS 37"	Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets", notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with IAS Rules
"IGAAP" or "Indian GAAP"	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended) and the Companies (Accounts) Rules, 2014, as amended
"IPR"	Intellectual property rights
"IPO"	Initial public offer
"IST"	Indian standard time
"IT Act"/ "Income Tax Act"	The Income Tax Act, 1961
"Income Tax Rules"	The Income Tax Rules, 1962
"IT"	Information Technology
"IT Act"	Information Technology Act, 2000
"KYC"	Know Your Customer
"Listing Agreement"	The equity listing agreement to be entered into by our Company with each of the Stock Exchanges
"MCA"	Ministry of Corporate Affairs, Government of India
"Mn" or "mn"	Million
"N.A."	Not applicable
"NACH"	National Automated Clearing House
"NAV"	Net asset value
"NBFC"	Non-Banking Financial Company
"NEFT"	National electronic fund transfer
"NPCI"	National Payments Corporation of India
"NRE Account"	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
"NRI" or "Non-Resident	A person resident outside India who is a citizen of India as defined under the Foreign Exchange

Term	Description
Indian"	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
"NSE"	National Stock Exchange of India Limited
"OCB" or "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 was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
"P/E Ratio"	Price/earnings ratio
"PAN"	Permanent account number allotted under the Income Tax Act, 1961
"PAT"	Profit After Tax
"RBI"	Reserve Bank of India
"Regulation S"	Regulation S under the U.S. Securities Act
"RTGS"	Real time gross settlement
"SCORES"	SEBI Complaints Redress System
"SCRA"	Securities Contracts (Regulation) Act, 1956
"SCRR"	Securities Contracts (Regulation) Rules, 1957
"SEBI"	Securities and Exchange Board of India constituted under the SEBI Act
"SEBI Act"	Securities and Exchange Board of India Act, 1992
"SEBI AIF Regulations"	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
"SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
"SEBI FVCI Regulations"	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
"SEBI ICDR Regulations"	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
"SEBI Insider Trading Regulations"	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
"SEBI Merchant Bankers Regulations"	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
"SEBI VCF Regulations"	The *erstwhile* Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
"SICA"	The erstwhile Sick Industrial Companies (Special Provisions) Act, 1985
"STT"	Securities Transaction Tax
"State Government"	Government of a State of India
"SEBI Takeover Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
"U.S.A"/ "U.S."/ "United States"	The United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia
"USD" or "US$"	United States Dollars
"U.S. GAAP"	Generally Accepted Accounting Principles in the United States of America
"U.S. Securities Act"	United States Securities Act of 1933, as amended
"VAT"	Value Added Tax
"VCFs"	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

CERTAIN CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL INFORMATION AND MARKET DATA

Certain Conventions

All references to "India" in this Draft Red Herring Prospectus are to the Republic of India and its territories and possession 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.

All references herein to the "US", the "U.S." or the "United States" are to the United States of America and its territories and possessions.

Page Numbers

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Fiscal or Financial Year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Restated Financial Information of our Company included in this Draft Red Herring Prospectus for Fiscals ended March 31, 2022, 2021 and 2020 comprising the restated summary statement of assets and liabilities for Fiscals ended March 31, 2022, 2021 and 2020, the restated summary statements of profit and loss, the restated summary statement of changes in equity and restated cash flows for Fiscals ended March 31, 2022, 2021 and 2020, together with the summary statement of significant accounting policies, and other explanatory information (collectively, the "Restated Financial Information") prepared in accordance with Ind AS, Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on "Reports on Company Prospectuses (Revised 2019)" issued by the ICAI, as amended from time to time.

As a part of this process, information about our Company's financial position and financial performance has been extracted by our management from the following financial statements / financial information:

Special Purpose Audited Financial Information of our Company as at and for the year ended March 31 2021 and 2020, on which there is an unmodified opinion on August 22, 2022 and Audited Financial Information of our Company as at and for the year ended March 31, 2022, on which there is an unmodified opinion August 22, 2022; For further details, see "*Financial Information*" and "*History and Certain Corporate Matters –*" on pages 233 and 192.

The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Red Herring Prospectus should be limited.

There are significant differences between Ind AS, Indian GAAP, and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP or IFRS requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*" on page 54.

Unless the context otherwise requires or indicates, any percentage amounts (excluding certain operational metrics), as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 32, 159 and 286, respectively, and elsewhere in this Draft Red Herring Prospectus have been derived from the Restated Standalone Financial Information.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. Except as otherwise stated, 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. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Non-GAAP financial measures

Certain non-GAAP measures such as EBIT, EBITDA, EBITDA Margin, Gross Margin, Capital Employed, Return on Capital Employed, Return on Equity, PAT Margin, total borrowings and debt to equity ratio, total product sales to revenue from operations (standalone), Net Worth and Return on Net Worth and net asset value per equity share ("**Non-GAAP Measures**") presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term and, therefore, a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us because these are widely used measures to evaluate a company's operating performance. See "*Risk Factors – This Draft Red Herring Prospectus contains certain Non-GAAP measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry.*" on page 53.

Currency and Units of Presentation

All references to:

1. "Rupees" or "INR" or "Rs." or "₹" are to the Indian Rupee, the official currency of India; and

2. "USD" or "US$" or "$" or "U.S. Dollar" are to the United States Dollar, the official currency of the United States of America.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million", "billion" and "trillion" units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	As on March 31, 2022 (₹)	As on March 31, 2021 (₹)	As on March 31, 2020 (₹)
1 USD	75.81	73.50	75.39

(Source: Foreign exchange reference rates as available on www.fbil.org.in)
Note: Exchange rate is rounded off to two decimal point.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled "*Indian Jewellery Retail Industry Report*" dated August 31, 2022 prepared by Technopak Advisors Private Limited, who was appointed by our Company on 25th January, 2022, (the "**Technopak Report**") and publicly available information as well as other industry publications and sources. The Technopak Report has been commissioned by our Company exclusively for the purposes of the Offer for an agreed fee. Further, it is clarified that Technopak is not related to our Company, our Promoters or our Directors. For further details in relation to risks involving the Technopak Report, see "*Risk Factors – This Draft Red Herring Prospectus contains industry information that has been extracted or derived from an industry report prepared by Technopak Advisors Private Limited, which was commissioned and paid for by our Company.*" on page 48.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy, adequacy and completeness or underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information, although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable. The excerpts of the Technopak Report are disclosed in the Offer Documents and there are no parts, information, data (which may be relevant for the proposed Offer), left out or changed in any manner. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect.

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 32. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

In accordance with the SEBI ICDR Regulations, the section titled "*Basis for the Offer Price*" on page 102, includes information relating to our peer group companies.

Disclaimer of Technopak

This Draft Red Herring Prospectus contains certain data and statistics from the Technopak Report, which is subject to the following disclaimer:

"*This information package is distributed by Technopak Advisors Private Limited (hereinafter "Technopak") on a strictly private and confidential and on 'need to know' basis exclusively to the intended recipient. This information package and the information and projections contained herein may not be disclosed, reproduced or used in whole or in part for any purpose or* *furnished to any other person(s). The person(s) who is/are in possession of this information package or may come in possession at a later day hereby undertake(s) to observe the restrictions contained herein.*

Only leading players are profiled and benchmarked for the purpose of the report and does not necessarily cover all types of players.

The information contained herein is of a general nature and is not intended to address the facts and figures of any particular individual or entity. The content provided here treats the subjects covered here in condensed form. It is intended to provide a general guide to the subject matter and should not be relied on as a basis for business decisions. No one should act upon such information without taking appropriate additional professional advice and/or thorough examination of the particular situation. This information package is distributed by Technopak upon the express understanding that no information herein contained has been independently verified. Further, no representation or warranty (expressed or implied) is made nor is any responsibility of any kind accepted with respect to the completeness or accuracy of any information as maybe contained herein. Also, no representation or warranty (expressed or implied) is made that such information remains unchanged in any respect as of any date or dates after those stated here in with respect to any matter concerning any statement made in this Information package. Technopak and its directors , employees, agents and consultants shall have no liability (including liability to any person by reason of negligence or negligent misstatement) for any statements, opinions, information or matters (expressed or implied) arising out of, contained in or derived from, or of any omissions from the information package and any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this information package and/or further communication in relation to this information package.

All recipients of the information package should make their own independent evaluations and should conduct their own investigation and analysis and should check the accuracy, reliability and completeness of the information and obtain independent and specified advice from appropriate professional adviser, as they deem necessary."

Although based on our assessment, the industry and market data used in this Draft Red Herring Prospectus is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. Further, Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. 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 industry sources. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors- Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Technopak Advisors Private Limited exclusively commissioned and paid for by us for such purpose" on page 48*.

In accordance with the SEBI ICDR Regulations, the section "*Basis for Offer Price*" on page 102 includes information relating to our peer group. Such information has been derived from publicly available sources. Accordingly, no investment decision should be made solely on the basis of such information.

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical facts and may be described as "forward-looking statements". These forward-looking statements include statements which can generally be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "can", "shall", "could", "expect", "estimate", "intend", "may", "likely" "objective", "plan", "project", "propose", "seek to", "will", "will continue", "will likely", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Red Herring Prospectus that are not historical facts. However, these are not the exclusive means of identifying forward looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such 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.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates 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 and globally which have an impact on our 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 laws, regulations, taxes, changes in competition in our industry and incidents of any natural calamities and/or acts of violence. Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

1. Our business depends on the strength of our brand and reputation. Failure to maintain and enhance our brand and reputation, and any negative publicity and allegations in the media against us, may materially and adversely affect the level of market recognition of, and trust in, our services, which could result in a material adverse impact on our business, financial condition, results of operations and prospects.

2. Current locations of our showrooms may become unattractive, and suitable new locations may not be available for a reasonable price or acceptable terms and exposure to all of the risks associated with leasing real estate and any adverse developments.

3. Impact, current and continuing of the COVID-19 pandemic on our business and operations, or a similar public health threat.

4. Our ability to renew our existing leases or secure new leases for our existing or new showrooms, or offices on commercially acceptable terms.

5. Competition in the industry in which we operate in.

6. Our ability to successfully manage the introduction of new products.

7. Non-availability or high cost and significant fluctuations in the price of of quality gold bullion.

8. Failure to anticipate and respond to changes in trends and changing customer preferences in a timely and effective manner.

9. Any adverse change in regulations and/or policies of the Reserve Bank of India regulating sourcing of gold under the gold loan scheme.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 32, 159, and 286, respectively. 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.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs, assumptions, current plans, estimates and expectations, 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.

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.

Neither our Company, our Directors, our Promoters, the Promoter Selling Shareholder, the BRLMs, the Syndicate Members nor any of their respective affiliates or advisors 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 requirements under the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Promoter Selling Shareholder shall ensure (through our Company and the BRLMs) that the investors are informed of material developments in relation to statements specifically confirmed or undertaken by the Promoter Selling Shareholder in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Only statements and undertakings which are specifically confirmed or undertaken by the Promoter Selling Shareholder, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Promoter Selling Shareholder.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of the terms of the Offer, certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled "*Risk Factors*", "*The Offer*", "*Capital Structure*", "*Industry Overview*", "*Our Business*", "*Objects of the Offer*", "*Our Promoters and Promoter Group*", "*Financial Statements*", "*Outstanding Litigation and Material Developments*", *"Offer Structure", "Management's Discussions and Analysis of Financial Position and Results of Operations*" on pages 32, 59, 79, 111, 159, 92, 223, 233, 321, 348, and 286 respectively.

Primary business of our Company

We, Vaibhav Jewellers, are a leading regional jewellery brand in South India led by first generation woman entrepreneur Mrs. Bharata Mallika Ratna Kumari Grandhi along with her daughter Grandhi Sai Keerthana *(Source: Technopak Report).* We are a hyperlocal jewellery retail chain with presence in the micro markets of Andhra Pradesh & Telangana with 13 showrooms (inclusive of two franchisee showrooms) across 8 towns and 2 cities. We have a market share of ~5% of the overall Andhra Pradesh and Telangana jewellery market and ~14% of the organised market in these two states in FY2021, as per the Technopak Report. We were one of the earlier entrants in the organised jewellery retail market of Andhra Pradesh and continue to focus on regional expansion into the high growth untapped regions within the micro-markets of Andhra Pradesh & Telangana thereby creating a market for branded jewellery in the area of our operations.

We cater to all economic segments of the micro markets of Andhra Pradesh and Telangana through our dedicated branded showrooms and have a strong rural market focus. We have positioned ourselves as retailer focussed on 'Relationships, by Design' where we focus on offering designs, high quality, transparency and customer service to our customers. We connect with target groups through exhibitions to understand the taste and preference of the customers through our "Go to Marketing Strategy".

We were established by our founder, Late Mr. Manoj Kumar Grandhi, with a vision to introduce organised jewellery retail play in the markets that we operate in. We started our jewellery business as a proprietorship concern in the year 1994 from our first showroom in Vishakapatnam. In 2007, we launched V Square, our flagship showroom, which is one of the largest in Visakhapatnam with 29,946 sq.ft jewellery retail space and is one of India's largest ISO certified jewellery showroom. We are expanding our presence in Andhra Pradesh and Telangana simultaneously, thereby enabling us to capture demand and meet the taste of the population of both the states. Presence in coastal Andhra belt gives us an exposure to agri-customer base and thus our showrooms are aligned to capture the demand coming in from such customers. We have developed a strong goodwill with presence of around 3 decades. Our brand, Vaibhav Jewellers, is a household name in Andhra Pradesh & Telangana with loyal customer base. Each of our showroom houses varied exquisite and large inventory of designs across wide range of products in Gold, Diamond, Gems, Platinum & Silver Jewellery and / or articles.

Summary of the industry in which our Company operates

Global jewellery market is estimated at $320 billion in CY 2021 and is a significant contributor to the world economy. It is also for centuries is an expression of creativity, status, and exclusivity. Diamond and gold are two precious items contributing more than 50% of the global jewellery market. USA, China, and India are the top three markets in the global jewellery market with different pecking order in diamond and gold jewellery market. India in addition to being a big market also plays a significant role in the supply chain of both gold and diamond jewellery market.

The global gold market is estimated at 4021 tons valued in CY 2021 at close to USD 255 billion at average value of LBMA gold price of $1799.0 per ounce. Market saw an increase of 7.7% as compared to CY2020. Demand for gold gets its highest contribution from jewellery retail with 38% of share to overall gold demand. Investment demand in terms of gold coins and bar and ETFs contributed close to 47% of demand with rest coming from central bank and electronics and other technology led sectors. However, COVID has led to a change in distribution of shares across different segments (Source: Technopak Report).

In a normal year jewellery contributes 50% of the demand whereas investment demand in terms of gold coins and bars and ETFs contribute 30% of the total demand. Central bank contribution has been close to 14% with remaining contribution from technology. The demand for gold has been range bound around 4,300 tons to 4,450 tons before a decline due to Covid -19 pandemic.

The Indian jewellery retail sector's size in FY 2022 was close to USD 60 billion. The sector's organized retail share stood at approximately 32%, comprised of national and regional players, while the rest of jewellery retail continues to be dominated by the unorganised segment, comprised of over 500,000 local goldsmiths and jewellers. The jewellery retail market is expected to grow to approximately USD 92 billion by FY 2025 on account of the growing economy and rising disposable income, increasing consumer demand for gold, growth in gold prices and rising demand for other categories like diamonds, other precious stones and costume jewellery.

In the wake of the COVID-19 crisis, the demand for FY 2021 contracted by 28%. While the organized segment was more resilient and witnessed contraction of 21%, the unorganized segment contracted by 31% in FY 2021. The quick recovery in demand is linked to deferred purchase related to marriages and other important events which is unique to the sector. However, the market recovered despite the 2nd and 3rd wave of COVID – 19 in FY 2022 and reached a value of USD 60 Bn in FY 2022. The Indian Jewellery Market is expected to reach a value of USD 92 Bn by FY 2025, growing at a CAGR of 15% over the next 3 years (Source: Technopak Report).

In FY 2021, the total market size of Andhra Pradesh and Telangana was USD 2.0 Bn and USD 1.7 Bn respectively. While the Andhra Pradesh jewellery market is expected to grow to USD 4.6 Bn by FY 2025 at a CAGR of ~23%, the Telangana market is expected to grow to USD 3.9 Bn during the same period at a CAGR of ~23%. Rural market in the state of Andhra Pradesh and Telangana contributes 52-55% of the total jewellery market in FY 2021 in these two states. 60-70% of the rural demand for jewellery is driven by weddings followed by the need for investment post-harvest. Organized market contributed ~36% of the total jewellery market in the states of Andhra Pradesh and Telangana in FY 2021 and expected to grow to ~42% of the total market by FY 2025. The current organized market of USD 1.30 Bn in Andhra Pradesh and Telangana together is expected to grow at a CAGR of 29% to USD 3.6 Bn by FY 2025. Regional and National Brands have identified the potential of Andhra Pradesh and Telangana and have a substantial share of their store network in these locations. Regional and National players have significant presence in Tier 2 and 3 cities which are the new consumption hubs and cater to the semi urban and rural consumer (Source: Technopak Report).

The larger players in the organised space consolidated the market share away from the unorganised segment because of weak balance sheets of the smaller players and their inability to sustain during the lockdowns which severely constricted their ability to maintain their operations. Furthermore, on the demand side, consumers' desire for a safer shopping experience with larger shop space which permits social distancing, well trained store personnel and strong systems/processes that ensured a safe retail experience benefitted the large, organized jewellers.

Our Promoters

As on the date of this DRHP, our Promoters are Grandhi Bharata Mallika Ratna Kumari (HUF), Bharata Mallika Ratna Kumari Grandhi, and Grandhi Sai Keerthana. *For further details, see section entitled "Our Promoters and Promoter Group" on page 223.*

The Offer

The following table summarizes the details of the Offer. *For further details, see "The Offer" and "Offer Structure" on pages 59 and 348, respectively*

Offer (1)^	Up to [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of [●] per Equity Share), aggregating up to ₹[●] million.
of which	
Fresh Issue(1)	Up to [●] Equity Shares, aggregating up to ₹ 2100.00 million
Offer for Sale(2)	Up to 4,300,000 Equity Shares, aggregating up to ₹ [●] million by the Promoter Selling Shareholder

^, Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider a Pre-IPO of Equity Shares up to [●] Equity Shares by our Company, for cash consideration aggregating up to ₹ 400 million which shall not exceed 20% of Fresh Issue size. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Pre-IPO Placement will be undertaken prior to filing of the Red Herring Prospectus with the ROC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-

IPO Placement will be reduced from the Fresh Issue, subject to compliance with rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 as amended.

(1) *The Offer has been authorized by a resolution of our Board dated August 22, 2022 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated August 24, 2022.*

(2) *The Promoter Selling Shareholder has authorised the sale of the Offered Shares by way of its consent letter dated August 22, 2022. The Promoter Selling Shareholder confirms that the Offered Shares have been held by it for a period of at least one year prior to filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer for Sale in accordance with the provisions of the SEBI ICDR Regulations. For details of authorizations received for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" beginning on page* 334.

The Offer shall constitute [●] % of the post Offer paid up Equity Share capital of our Company.

Objects of the Offer

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

(In ₹ million)

Objects		**Total Estimated Cost**	**Estimated schedule of deployment of Net Proceeds in**	
			Fiscal 2023	**Fiscal 2024**
(a)	Estimated capital expenditure cost for the proposed eight (8) new showrooms	120.00	30.00	90.00
(b)	Estimated inventory cost for New Showrooms proposed to be opened	1600.08	400.000	1200.08
	Sub- total (a+b)	**1720.08**	**430.00**	**1290.08**
General corporate purposes*		[●]	[●]	[●]
Total*		[●]	[●]	[●]

* *To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds. Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of such number of securities for cash consideration aggregating up to ₹* 400.00 *million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.*

For further details, see "*Objects of the Offer*" on page 92.

Aggregate Pre-Offer shareholding of our Promoter and the members of our Promoter Group (other than our Promoters) and the Promoter Selling Shareholder.

The aggregate Pre-Offer shareholding of our Promoters and Promoter Group as a percentage of the Pre-Offer paid-up Equity Share capital of the Company is set out below:

S No.	**Name of shareholder**	**Pre-Offer equity share capital**	
		Number of Equity Shares	**Percentage of total Pre-Offer paid up Equity Share capital (%)**
Promoters			
1.	Grandhi Bharata Mallika Ratna Kumari (HUF)	29,350,400	75.10
2.	Bharata Mallika Ratna Kumari Grandhi	5,352,000	13.70
3.	Grandhi Sai Keerthana	40,000	0.10

S No.	Name of shareholder	Pre-Offer equity share capital	
		Number of Equity Shares	Percentage of total Pre-Offer paid up Equity Share capital (%)
Promoter Group			
4.	Harshil Enterprises (India) Private Limited	42,57,600	10.90
5.	Grandhi Durga Krishna Sai Sarayu	40,000	0.10
6.	Grandhi Sai Sindhuri	20,000	0.05
7.	Chaluvadi Maruthi Venkatesh	20,000	0.05
	Total	**39,080,000**	**100.00**

Aggregate Pre-Offer shareholding of our Promoter Selling Shareholder

The aggregate Pre-Offer shareholding of our Promoter Selling Shareholder as a percentage of the Pre-Offer paid-up Equity Share capital of the Company is set out below:

S No.	Name of Promoter Selling Shareholder	Pre-Offer equity share capital	
		Number of Equity Shares	Percentage of total Pre-Offer paid up Equity Share capital (%)
1	Grandhi Bharata Mallika Ratna Kumari (HUF)	29,350,400	75.10
	Total	**29,350,400**	**75.10**

Other than as disclosed above, there are no other Selling Shareholders participating in the Offer for Sale.

Summary derived from the Restated Financial Information

(In ₹ million except per share data)

	As at and for financial year		
Particulars	**2022**	**2021**	**2020**
Equity Share capital	97.70	97.70	97.70
Net Worth	2,728.59	2,289.86	2,080.80
Revenue from Operations	16,939.19	14,335.69	12,791.30
Profit / (Loss) after tax	436.79	207.37	243.86
Earnings per share			
- Basic	11.18	5.31	6.24
- Diluted	11.18	5.31	6.24
Net asset value per equity share	69.82	58.59	53.24
Total Borrowing	4777.34	4634.34	4193.19

Notes:

i. Net Worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

ii. Restated basic earnings per share (₹) = Profit for the year divided by weighted average number of equity shares outstanding during the year

iii. Restated diluted earnings per share (₹) = Profit for the year divided by weighted average number of diluted equity shares outstanding during the year, that has been adjusted for the effects of all dilutive potential Equity Shares outstanding during the year

iv. Restated Net Asset Value per Equity Share = Net worth divided by outstanding number of equity shares at the end of the year

v. Total Borrowings = Non – current borrowings + Current Borrowings including current maturities of long-term borrowings

vi. Pursuant to a resolution of our shareholders dated August 10, 2022 the Company has issued and allotted 29,310,000 bonus equity shares in the ratio of 3 (three) fully paid-up bonus share of the face value of ₹10 each for every existing 1 (one) fully paid-up equity share of the face value of ₹10 each held by the members. All per share data has been calculated after giving effect to such bonus issue in accordance with principles of Ind AS 33 "Earning per Share".

For further details see "*Financial Information*" on page 233.

Qualifications of the Statutory Auditors –

There are no qualifications included by our Statutory Auditors in the financial statements which have not been given effect to in the Restated Financial Information.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, our Directors and our Promoters as on the date of this Draft Red Herring Prospectus is provided below:

Type of Proceedings	Number of cases	Amount^ (In ₹ million)
Cases against our Company		
Criminal proceedings	0	0
Actions by statutory or regulatory authorities	0	0
Claims related to direct and indirect taxes	1	69.91
Other pending material litigation proceedings	1	8.85
Total	2	78.76
Cases by our Company		
Criminal proceedings	0	0
Other pending material litigation proceedings	0	0
Total	**0**	**0**
Cases against our Directors other than our Promoters		
Criminal proceedings	0	0
Actions by statutory or regulatory authorities	0	0
Claims related to direct and indirect taxes	0	0
Other pending material litigation proceedings	0	0
Total	0	0
Cases by our Directors other than our Promoters		
Criminal proceedings	0	0
Other pending material litigation proceedings	0	0
Total	0	0
Cases against our Promoters		
Criminal proceedings	0	0
Actions by statutory or regulatory authorities	0	0
Claims related to direct and indirect taxes	2	160.53

Disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectusby SEBI or any stock exchange	0	0
Other pending material litigation proceedings	0	0
Total	**2**	160.53
Cases by our Promoters		
Criminal proceedings	0	0
Other pending material litigation proceedings	1	1500.00
Total	1	1500.00

^To the extent quantifiable

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 321.

Risk Factors

Specific attention of the Investors is invited to "*Risk Factors*" on page 32 to have an informed view before making an investment decision.

Summary of Contingent Liabilities of our Company

Details of the contingent liabilities and commitments (as per Ind AS 37) of our Company as on March 31, 2022 derived from the Restated Financial Information are set forth below:

Particulars	Amount (In ₹ million)
Income tax (AY 2013-14)	69.91
Civil Suit - Case No: OS/400/2014	8.85
Total	**78.76**

For further details of the contingent liabilities (as per Ind AS 37) of our Company as on March 31, 2022, see "Financial Statements – note no.39 - Contingent Liabilities and Commitments" on page 269.

Summary of Related Party Transactions

Summary of the related party transactions as per Ind AS 24-Related Party Disclosures derived from the Restated Financial Information, is as follows:

(In ₹ million)

Sl No	Particulars	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
1	**Sale of Jewellery**			
	GBM Ratna Kumari (HUF)	2,482.31	3,059.63	2,715.44
	Manoj Vaibhav Jewellers Private Limited	0.66	0.70	2.02
	Vaibhav Jewellers Private Limited	6.83	3.61	1.61
2	**Purchase of Jewellery**			
	GBM Ratna Kumari (HUF)	-	201.24	30.36
	Vaibhav Jewellers Private Limited	1.32	0.17	-
3	**Purchase of others**			
	GBM Ratna Kumari (HUF)	1.86	-	-
	Manoj Vaibhav Jewellers Private Limited	1.20	-	-
4	**Remuneration**			

	Bharata Mallika Ratna Kumari Grandhi	18.43	13.63	17.63
	Grandhi Sai Keerthana	2.65	1.76	2.43
	Grandhi Sai Sindhuri	1.51	1.05	1.45
	Satish Ramanujakoodam	11.02	7.97	11.02
	Bandari Shiva Krishna	1.17	0.79	1.12
5	**Rental expenses**			
	Grandhi Krishna Kumari	0.87	0.79	0.79
	GBM Ratna Kumari (HUF)	-	0.40	0.40
6	**Rental Income**			
	GBM Ratna Kumari (HUF)	0.79	0.46	0.78
	Vaibhav Hotels & leisures (Visakhapatnam) Private Limited	-	-	7.05
7	**Reimbursement of expenses**			
	GBM Ratna Kumari (HUF)	0.52	0.36	0.28
	Vaibhav Hotels & leisures (Visakhapatnam) Private Limited	-	-	0.14
8	**Royalty**			
	GBM Ratna Kumari (HUF)	0.12	0.12	0.12

For further details of the related party transactions, as per the requirements under Ind AS 24 'Related Party Disclosures', see *"Restated Financial Statements – Note No 47 Related Party Transactions*" on page 275.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, directors of our Corporate Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase of any securities of our Company by any other person during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Details of Pre-IPO Placement

Our Company may consider a Pre-IPO placement of Equity Shares of up to [●] Equity Shares by our Company, for cash consideration aggregating up to ₹ 400.00 million which shall not exceed 20% of Fresh Issue size. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Pre-IPO Placement will be undertaken prior to filing of the Red Herring Prospectus with the ROC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with rule 19(2)(b) of the securities contracts (regulation) rules, 1957 as amended.

Average acquisition price at which specified securities were acquired by our Promoter, Promoter Group, the Promoter Selling Shareholder in our Company in the last three years preceding the date of this Draft Red Herring Prospectus

Sl. No.	Name of the Shareholder	Category	Date of acquisition of equity shares	No. of Equity Share alloted*	Acquisition price per Share (₹)
1	Grandhi Bharata Mallika Ratna Kumari (HUF)	Promoter and Promoter Selling Shareholder	August 12, 2022	22,012,800	Nil
2	Bharata Mallika Ratna Kumari Grandhi	Promoter	August 12, 2022	4,014,000	Nil
3	Grandhi Sai Keerthana	Promoter	August 12, 2022	30,000	Nil
4	Harshil Enterprises (India) Private Limited	Promoter Group	August 12, 2022	3,193,200	Nil

5	Grandhi Sai Sindhuri	Promoter Group	August 12, 2022	15,000	Nil
6	Grandhi Durga Krishna Sai Sarayu	Promoter Group	August 12, 2022	30,000	Nil
7.	Chaluvadi Maruthi Venkatesh	Promoter Group	August 12, 2022	15,000	Nil

**Equity Shares issued pursuant to a bonus issue of Equity Shares in the ratio 3:1 authorised by a resolution of our Board dated August 02, 2022 and a resolution of our Shareholders dated August 10, 2022.*

As on the date of this Draft Red Herring Prospectus, there are no Shareholders that are entitled to nominate Directors or have other special rights.

Weighted average acquisition price at which specified securities were acquired by our Promoters and the Promoter Selling Shareholder in the last one year preceding the date of this Draft Red Herring Prospectus

Name and Type	Category	Date of acquisition of equity shares	No. of Equity Shares Allotted*	Weighted average cost of acquisition of Equity Shares on fully diluted basis (in ₹)
Grandhi Bharata Mallika Ratna Kumari (HUF)	Promoter Selling Shareholder	August 12, 2022	22,012,800	Nil
Bharata Mallika Ratna Kumari Grandhi	Promoter	August 12, 2022	4,014,000	Nil
Grandhi Sai Keerthana	Promoter	August 12, 2022	30,000	Nil

**Equity Shares issued pursuant to a bonus issue of Equity Shares in the ratio 3:1 authorised by a resolution of our Board dated August 02, 2022 and a resolution of our Shareholders dated August 10, 2022*.

Average cost of acquisition for our Promoters and Promoter Selling Shareholder

The average cost of acquisition per Equity Share by our Promoters and Promoter Selling Shareholder, as at the date of this Draft Red Herring Prospectus, is:

Name of the Promoters/Promoter Selling Shareholder	Category	Number of Equity Shares held as on the date of this DRHP	Average cost of acquisition per Equity Share (in ₹)*
Grandhi Bharata Mallika Ratna Kumari (HUF)	Promoter Selling Shareholder	29,350,400	9.71
Bharata Mallika Ratna Kumari Grandhi	Promoter	5,352,000	2.35
Grandhi Sai Keerthana	Promoter	40,000	-

**As certified by Sagar & Associates, Chartered Accountants, pursuant to their certificate dated September 03, 2022.*

For further details of the average cost of acquisition for our Promoters, see "*Capital Structure*" at page 79.

Issue of Equity Shares for consideration other than cash in the last one year

Except as stated below, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus:

Date of allotment	Number of Shares allotted	Face value per Share (₹)	Offer price per Share (₹)	Form of consideration	Reasons for allotment	Benefits if any that have accrued to our Company
August 12, 2022	29,310,000	10	--	Other than Cash	Bonus Issuance the ratio 3 Equity Shares for every 1 Equity Share held in our Company.	-

For details, see "*Capital Structure*" on page 79.

Split / Consolidation of Equity Shares in the last one year

Our Company has not undertaken split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

The Company has not sought any exemption from complying with any provisions of securities laws from SEBI.

SECTION II – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, you must rely on your own examination of our Company and the terms of the Offer, including the risks involved, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties are not the only risks we face. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. To obtain a more detailed understanding of our business and operations, please read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 159 and 286, respectively, as well as other information contained in this Draft Red Herring Prospectus.

Unless otherwise indicated, industry and market data used in this section has been derived from a report entitled 'Independent Market Report – Indian Jewellery Retail Industry Report dated August 31, 2022, by Technopak Advisors Private Limited ***("Technopak Report")*** *commissioned and paid for by our Company, exclusively for the purpose of the Offer and prepared by Technopak Advisors Private Limited pursuant to the engagement letter dated January 25, 2022. Unless otherwise indicated, all financial, operational, industry and other related information derived from Technopak Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Neither we nor the BRLMs nor any other person connected with the Offer have independently verified such information. Also see "Risk Factors — This Draft Red Herring Prospectus contains industry information that has been extracted or derived from an industry report prepared by Technopak Advisors Private Limited, which was commissioned and paid for by our Company" on page 48.*

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details, see "Forward-Looking Statements" on page 21*. Unless otherwise indicated, all financial information included herein are based on our Restated Standalone Financial Information included elsewhere in this Draft Red Herring Prospectus.*

Internal Risks Related to Our Business

1. 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.

We consider our brand "Vaibhav Jewellers" along with our sub-brand "Visesha" particularly to be very important for our business. Our business and results of operations are influenced by the strength and popularity of our brands, including the level of consumer recognition and perception of our brands in the mind of varied customers. We believe that in the business of gold 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.

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.

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

Our strategy as a part of our Objects of the Offer is to reach out to newer geographies in the micro markets of Andhra Pradesh and Telangana therein focusing on Rural markets as well as Tier 2 and Tier 3 cities. We believe that the key to a successful business and building a brand is to reach out to newer customers, understand their requirement and deliver them the best of the products. Considering the above, our main strategy is to expand our presence in Andhra Pradesh and Telangana simultaneously by opening new showrooms at various identified locations thus catering to the consumers of the new geography. Opening of new showrooms and managing them as a part of our strategy will require efficiency at various levels and will be determined by various factors. We cannot assure we may be able to successfully implement the strategy and efficiently execute the plans towards the objects of expanding our geographical reach by opening the new showrooms and our inability to effectively plan, manage and execute our current retail operations and also our growth strategy of our new showrooms may adversely affect our business, financial conditions and results of operations. For details on our new proposed showrooms, see "Our Objects" on page 92.

3. The non-availability or high cost of quality gold bullion, silver, diamonds and other precious and semi-precious stones may have an adverse effect on our business, results of operations and financial condition.

Timely procurement of materials such as gold bullion, silver, diamonds and other precious and semi-precious stones, as well as the quality and the price at which they are procured, play an important role in the successful operation of our business. Gold used in our operations, is primarily sourced from nominated banks and bullion dealers. An increase in the price of gold may result in an increase in our income from sales assuming such increases do not adversely affect sales volumes. However, a significant increase in the price of gold or a negative outlook on future gold prices could, in the short term, adversely affect our sales volumes. We may also require specific quality raw materials including silver, precious and semi-precious stones for specific jewellery design. Accordingly, our business is affected by the availability, cost and quality of raw materials. A sudden fall in the market price of diamonds and other precious and semi-precious stones may affect our ability to recover our procurement costs. Conversely, an increase in the price of diamonds and other precious and semi-precious stones could lead to a decrease in demand for a particular jewellery and/or a decrease in our profit margins. The prices and supply of these and other materials depend on factors beyond our control, including general economic conditions, competition, production levels and regulatory factors such as import duties. Currently, the RBI permits only certain banks and authorised dealers in India to import precious metals such as gold for the purposes of extending gold metal loans to domestic jewellery manufacturers who are not exporters, subject to certain conditions and we are subject to the rates of interest charged by these banks. We cannot assure you that we will be able to procure quality raw materials at competitive prices or at all. Further, any rise in prices of raw materials used by us may cause customers to delay their purchases, thereby adversely affecting our business, operations and financial condition.

4. Our Promoter and certain of our Directors may have interest in entities, which are engaged in lines of business similar to that of our Company. Any conflict of interest which may occur between our business and the activities undertaken by such entities could adversely affect our business and prospects.

As on the date of this Draft Red Herring Prospectus, our Promoter and Chairperson & Managing Director, Bharata Mallika Ratna Kumari Grandhi, Promoter and CFO, Grandhi Sai Keerthana and our Promoter Grandhi Bharata Mallika Ratna Kumari (HUF) have interests in entities, which are engaged in lines of business similar to that of our Company. Our Promoter and Chairperson & Managing Director, Promoter and CFO are the shareholders and directors of Vaibhav Jewellers Private Limited, which is engaged in the similar line of business as our Company. Our Promoter Grandhi Bharata Mallika Ratna Kumari (HUF) was involved in the business of managing purchase advance schemes. The HUF discontinued accepting new customer advances from June 01, 2022 and is only managing existing purchase advance schemes due for redemption. While there is presently no conflict, there is no assurance that our Promoter and Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in the future. Such factors may have an adverse effect on the results of our operations and financial condition.

5. Our business depends on our Promoters and senior management and our ability to attract and retain sales personnel. Any attrition rate of our senior management may affect our business growth.

We believe that the experience of our Promoters and senior management has been critical to our success and business growth over the years. Their in-depth knowledge of the market and the business operations have ensured our growth in the business.

As a result, any loss of the services of any of our Promoters or senior management could materially and adversely affect our business, financial condition and results of operations. The replacement of senior management may not be straightforward or achievable in a timely manner as they have years of knowledge and experience in this business, and we may be required to wait indefinitely to fill positions until we find suitable candidates. Furthermore, attracting, hiring and retaining experienced and qualified senior management with years of experience in this business sector could require increasing compensation and benefits payable to such personnel, which could affect our operational costs and accordingly, our financial condition and results of operations.

Our success is also dependent on our ability to attract, hire, train and retain experienced and skilled sales personnel, including sales personnel who speak local languages in the various regions in which we operate along with adequate and proper knowledge of the product. In the jewellery industry, the level and quality of sales personnel and customer service are key competitive factors and an inability to recruit, train and retain suitably qualified and skilled sales personnel who maintain consistency in our standards of customer service and overall operations could adversely impact our reputation, business prospects and results of operations. We could encounter challenges in identifying, training and retaining sales personnel as the Indian jewellery industry is expected to experience significant growth in future years.

For Financial Year 2022, 2021 and 2020 we had an attrition rate of 5.72%, 1.69% and 3.00% amongst our entire employee strength. A significant increase in our senior management employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition.

6. ***The coronavirus pandemic ("COVID-19") has had an effect on our business and operations, and the extent to which it may continue to do so in the future cannot be predicted.***

In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities responded by taking measures, including in India where our operations are primarily based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate, among many others. Due to such government mandated lockdown in India, we had to temporarily close all of our showrooms and our offices from March 24, 2020 to May 11, 2020. Like any other business across the country, even our operations and revenues had an impact during the lockdown.

In accordance to the government notification passed at regular intervals, we had to ensure that we maintain all our employees at all our showrooms and offices with very minimal business and revenue being generated. This had an effect on our financials.

We resumed operations from May 11, 2020 in a very staggered manner and by the end of June, 2020, we resumed operations in all our showrooms with 50% staff. Our support system at all levels allowed us to commence our operations in a strong manner, despite the temporary pause in our business due to the lockdown. Our strong supply chain network build by us over the years and the capabilities and depth of our management team enabled us to restart our operations quickly after the lockdowns eased. The COVID-19 lockdown ensured that we shift our concentration on the online business model. This pushed us in enhancing and improving our online business, which resulted in a surge of revenue from the online business during the COVID -19 period. COVID-19 lockdown and loss of business also led us to take necessary steps and strategise the reduction of the expenses on overheads such as electricity, travel and other overheads. We also proactively and regularly engaged with our customers to reassure them about the strength and the trust of our brand and business. We ensured that the customers always feel safe with us and as such, we introduced every level of safety protocol against COVID-19. As a result, we have since experienced a return of customer traffic to our showrooms and in the Fiscal 2021, despite having COVID-19, our revenues from operations was approximately 12% higher than our revenue of Fiscal 2020. This rise in revenue during COVID-19 for the year Fiscal 2021, made us believe that we can do better going forward and in the Fiscal year 2022, our revenue from operations was approximately 18% and 32.4% higher than Fiscal 2021 and Fiscal 2020 respectively. The uncertainty of COVID-19 and its impact pushed many families to make provisions for financial stability and investment and gold being one of the best modes of investment had a positive impact on our business. The impact of the COVID-19 pandemic accelerated the shift of the jewellery market from unorganised players to organised chains such as us, given the conviction consumers are likely to have in the store experience, safety protocols, hygiene and quality that we can offer.

We have taken certain steps to mitigate the COVID 19 risk in the form of availing certain financial assistance.

(a) We have taken a loan of Rs. 640 million from HDFC Bank Limited in the form of Guaranteed Emergency Line Credit (GECL) - Working Capital Term Loan (WCTL) with low interest rate vide a sanction letter dated January 18, 2021. The Government of India through Ministry of Finance, Department of Financial Services has introduced the Emergency Credit Line Guarantee Scheme ("ECLGS" or the "Scheme", as the context may require and as may be amended/updated from time to time) vide letter dated May 23, 2020 issued by the National Credit Guarantee Trustee Company Limited (a wholly owned trustee company of the Government of India) ("NCGTCL" or the "Trust Company"). The Scheme has been updated on November 26, 2020 thereby introducing ECLGS 2.0 (as defined under the Scheme) for providing 100% guarantee coverage for Facility availed by Borrower, inter alia, from banks and financial institutions upto 20% of the entire outstanding credit which is more than ₹ 500 million (Rupees Five Hundred Million) but less than ₹ 5000 million (Rupees Five Thousand Million) as on February 29, 2020 and subject to compliance with the terms and conditions of the Scheme, as amended from time to time.

(b) We have also taken a loan of Rs. 48.6 million in the form of Working Capital Term Loan (WCTL) from Federal Bank under Guaranteed Emergency Line Credit (GECL) to meet the cash flow requirement caused by COVID-19 related disruptions. The facility is covered by 100% guarantee from NCGTC (National Credit Guarantee Trustee Company Limited, Ministry of Finance, Government of India- coverage on the outstanding amount for the GECL credit facility provided under the Scheme as on the date of NPA.

(c) We have availed a working capital term loan (WCTL) of Rs. 76.00 million from Union Bank of India under Union Guaranteed Emergency Credit Line 2.0 (Extension) to meet the liquidity crunch and cash-flow mismatch on account of outbreak of Covid 19. This facility is covered by 100% guarantee from NCGTC (National Credit Guarantee Trustee Company Limited, Ministry of Finance, Government of India.

The aforesaid funds availed from the financial institutions during the time when the business was affected due to the COVID – 19 helped us to tie up the loss we suffered due to the temporary closure of business and to mitigate the low turnover during the initial 4-6 months after the opening of the showrooms once the lockdown was lifted. The aforesaid loans were a part of Government Schemes and the same were given at a lower interest rates than the normal interest rates. We also ran various online advertisements projecting gold as an investment opportunity and a safe bet during testing and tough times. We also promoted online shopping experiences during COVID-19 times for our customers to enjoy the retail experience from the comfort of home and have a fruitful shopping experience.

While COVID-19 pandemic has affected our business and operations, there is significant uncertainty regarding the duration and impact of the COVID-19 pandemic, as well as possible future responses, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on us and our consumers and our suppliers at this time. The outbreak of new COVID-19 variants (e.g., the detection of the "Omicron" variant) may cause a prolonged global economic crisis. Any intensification of the COVID-19 pandemic, outbreak of new COVID-19 variants or otherwise or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition. Furthermore, as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this "Risk Factors" section. Furthermore, see "Management's Discussions and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations" on page 289.

7. ***Our Company, Promoters and Directors are involved in certain legal proceedings and potential litigation and we have not made any provision in our financial statements for such liabilities. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.***

Type of Proceedings	Number of cases	Amount^ (In ₹ million)
Cases against our Company		
Criminal proceedings	0	0
Actions by statutory or regulatory authorities	0	0
Claims related to direct and indirect taxes	1	69.91
Other pending material litigation proceedings	1	8.85
Total	2	78.76
Cases by our Company		
Criminal proceedings	0	0
Other pending material litigation proceedings	0	0
Total	**0**	**0**

Cases against our Directors other than our Promoters		
Criminal proceedings	0	0
Actions by statutory or regulatory authorities	0	0
Claims related to direct and indirect taxes	0	0
Other pending material litigation proceedings	0	0
Total	0	0
Cases by our Directors other than our Promoters		
Criminal proceedings	0	0
Other pending material litigation proceedings	0	0
Total	0	0
Cases against our Promoters		
Criminal proceedings	0	0
Actions by statutory or regulatory authorities	0	0
Claims related to direct and indirect taxes	2	160.53
Disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Draft Red Herring Prospectusby SEBI or any stock exchange	0	0
Other pending material litigation proceedings	0	0
Total	**2**	160.53
Cases by our Promoters		
Criminal proceedings	0	0
Other pending material litigation proceedings	1	1500.00
Total	1	1500.00

^To the extent quantifiable

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 321.

8. The agreements governing our indebtedness contain conditions and restrictions on our operations, additional financing and capital structure.

As of August 15, 2022, our total outstanding debt, was ₹ 4585.31 million. We have entered into several borrowing facilities of varying terms and tenures. The financing agreements governing such facilities include conditions and restrictive covenants that require us to obtain consents, approvals, no-objections or waivers from lenders prior to carrying out specified activities or entering into certain transactions or events. It may also impose a duty on us to intimate them of certain transactions or events. Additionally, under such financing agreements, we are also required to comply with certain financial covenants, such as maintaining prescribed financial ratios at all times.

Undertaking any transaction or events which are restricted as provided herein above, without the consent of our lenders or non-compliance with any of the covenants of our financing agreements, constitute defaults under the relevant financing agreements and will entitle the respective lenders to declare a default against us and enforce remedies under the terms of the financing agreements as stated. This can include, among others, acceleration in repayment of the amounts outstanding under the financing agreements, enforcement of any security interest created under the financing agreements and taking possession of the assets given as security in respect of the financing agreements. Further, we cannot assure you that we will be able to obtain approvals to undertake any of these activities as and when required or to comply with such covenants or other covenants in the future in a timely or guaranteed manner. A default by us under the terms of any financing agreement may also trigger a cross-default under some of our other financing agreements, or any other agreements or instruments of our containing cross-default provisions, which may individually or in aggregate, have an adverse effect on our operations, financial position and credit rating. For details of our borrowings, see "*Financial Indebtedness*" on page 318.

9. Any failure in our quality control processes may have an adverse effect on our business, brand, results of operations and financial condition.

We ensure at all times that we undertake a number of quality control procedures to ensure that we cater to our customers with quality jewellery. We ensure that all our jewellery is hallmarked as prescribed by Bureau of Indian Standards ("**BIS**") at all times and the necessary documents and certificate are duly provided as a part of the packaging of our products. However, there is no assurance that the quality control measures carried out by us for all products will be effective at all times and that our product shall match the highest quality standard. If we receive negative publicity about the quality of our jewellery due to our quality control process being ineffective, it will have an adverse effect on our business, brand, result of operation and financial condition.

10. 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 manufacture or purchase, we may be required to recycle our inventory, which would have an adverse impact on our income and cash flows.

11. Our Company had negative cash flow during certain fiscal years; details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.

Particulars	2022	2021	2020
Net Cash from (used in) Operating activities	89.57	(115.07)	331.03
Net Cash from (used in) Investing activities	13.03	109.08	(57.07)
Net Cash from (used in) Financing activities	(255.90)	42.65	(367.80)

(a) During the FY 2020, Net Cash from (used in) Investing activities is negative due to purchase of fixed assets and Net Cash generated from/(used in) Financing Activities is negative due to payment of interest;

(b) During the FY 2021, Net Cash generated from/(used in) operating activities is negative due to payment of trade payables and Other current liabilities; and

(c) During the FYE 2022, Net Cash generated from/(used in) Financing Activities is negative due to payment of interest;

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans, meet enhanced working capital requirements and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled "*Financial Statements" and chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page no. 233 and page no.286 respectively*, of this Draft Red Herring Prospectus.

12. Our Company has availed unsecured loan from our Promoters, which is repayable on occurrence of certain conditions.

As per the restated financial statements, our Company has availed total sum of ₹ 450.00 million as unsecured loans from one of our Promoter Grandhi Bharata Mallika Ratna Kumari (HUF) to meet the requirements stipulated by the working capital lenders. Such unsecured loan is interest free and cannot be withdrawn during the currency of the exposure of working capital lenders. As per the Unsecured Loan Agreement dated March 25, 2019 entered into by the Company and our Promoter Grandhi Bharata Mallika Ratna Kumari HUF, entered into by the Company and our Promoter Grandhi Bharata Mallika Ratna Kumari HUF, the loan shall be repayable by March 31, 2030; or within 18 months from the date of removal of covenant by the lender banks or closure of the working capital limits under the working capital arrangements, whichever is later. However, sudden recall of such unsecured loans following the withdrawl of working capital limits by the lender may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund. For further details, please refer to the section "Financial Indebtedness" beginning on page no.318 of this Draft Red Herring Prospectus. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

13. Our Promoters have provided personal guarantees to secure certain of our loan facilities, which if revoked or invoked may require alternative guarantees, repayment of amounts due or termination of the facilities.

As on the date of filing of this Draft Red Herring Prospectus, our Promoters Bharata Mallika Ratna Kumari Grandhi and Grandhi Sai Keerthana have provided personal guarantees as security to secure some of our existing borrowings and may continue to provide similar guarantees in the future. Such personal guarantees have not been invoked or revoked and are currently valid. In addition, our Promoters may be required to liquidate their respective shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. Lenders for such facilities may require alternative guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition. For details on personal guarantee given by Promoters of our Company, see "*History and Certain Corporate Matters – Guarantees Given by Promoters*" on page 201.

14. We have contingent liabilities.

As of March 31, 2022, we had ₹ 78.76 million of contingent liabilities that had not been provided for.

A summary table of our contingent liabilities as of March 31, 2022 as provided for in the Restated Financial Information is set forth below:

Particulars	**Amount (In ₹ million)**
Income Tax (AY 2013-14)	69.91
Civil Suit - Case No: OS/400/2014	8.85
Total	**78.76**

For details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Contingent Liabilities*" on pages 233 and 286, respectively, for more information. Any or all of these contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

15. Our Statutory Auditor has included an emphasis of matter paragraph in their report on our restated financial information as of and for Financial Years ended March 31, 2021 and March 31, 2020.

Our Statutory Auditor has included an emphasis of matter paragraph in their report on our restated financial information as of and for Financial Years ended March 31, 2021 and March 31, 2020.

The company has included in Note No.38 of Financial Years ended March 31, 2021 and March 31, 2020 on COVID-19 pandemic:

"*In assessing the recoverability of receivables, realization of inventories, other current assets and intangible assets, and certain fixed assets, the Company has considered internal and external information up to the date of approval of these financial statements. The Company has evaluated recoverability and realization of assets based on current indicators of future economic conditions and expects to recover and realize the carrying amount of these assets. The impact of the global health pandemic may be different estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material charges to future economic conditions*."

Our Statutory Auditor has included emphasis of matters in their report on our Restated Financial Information as of and for the Financial Years ended March 31, 2021 and March 31, 2020, which were made by previous auditors in their report, describes that the extent to which the COVID-19 pandemic has impacted our financial statements. The emphasis of matters are as follows:

"*The Developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society, as well as on the operational and financial performance of all organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The Company is confronted with this uncertainty as well, which has been disclosed in the Note 38 to the financial statements. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.*"

For further details see "Financial Statements" on page 233. We cannot assure you that our Statutory *Auditor's* observations for any future financial period will not contain similar remarks, emphasis of matters or other matters including any matters required to be reported under Companies (Auditors Report) Order 2016, and that such matters will not otherwise affect our results of operations.

16. We may be unable to expand our product offerings in a diversified manner and distribution channels as per the market requirement and the same may have an adverse effect on our business, results of operations and financial condition.

Apart from expanding to newer geographies by opening new retail showrooms, it is also our strategy is to reach out to newer jurisdictions through our e-commerce platform and also enhance the catalogue of our product offerings from time to time as per customer preferences and market trends. We intend to expand our customer base to various jurisdictions by leveraging on our online e-commerce platform vertical and to also concentrate on new unique designs keeping the local preferences in mind and widen our catalogue and collection of product offerings for our customers. Our strategy is to explore newer trend of products as per customer preferences and to innovate and improvise on our design collection and pattern. To achieve and give effect to our proposed strategy, we would require adequate amount of planning and execution. We cannot assure that the strategy and the level of planning and efficiency that we may implement to expand our product offerings and distribution channels will yield effective result and we may be unable to expand our product offerings in a diversified manner and distribution channels as per the market requirement and the same may have an adverse effect on our business, results of operations and financial condition.

17. 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 and may have a negative impact on our business.

Our sales have historically exhibited certain seasonal fluctuations, reflecting higher sales volumes and profit margins during festival periods and other specific occasions such as Akshay Trithiya, Dussehra, Dhanteras, Diwali and Christmas. 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 ofoperations.

18. We have significant working capital requirements and may require additional capital and financing in the future. Our ability to access capital at attractive costs also depends on our credit ratings. Our operations could be curtailed if we are unable to obtain required additional capital and financing when needed.

Our business requires a substantial amount of working capital, primarily to finance our inventory, including the purchase of raw materials. Moreover, we may need working capital for the expansion of our business at regular intervals due to our business requirements. Our sanctioned working capital loans as of August 15, 2022 were ₹ 3610.00 million and the outstanding working capital loan as August 15, 2022 were ₹ 3242.01 million, which are repayable on demand.

We may need to raise additional capital from time to time, depending on business requirements. Some of the factors that may require us to raise additional capital include (i) business growth; (ii) unforeseen events beyond our control; and (iii) significant depletion in our existing capital base due to unusual operating losses.

While we do not anticipate seeking additional financing in the immediate future as a part of our plan post the initial public offering, any additional equity financing may result in dilution to the holders of the Equity Shares. Further, additional debt financing may impose affirmative and negative covenants that restrict our freedom to operate our business, including covenants such as:

(a) limit our ability to pay dividends or require us to seek prior consent for the payment of dividends;

(b) require us to dedicate a portion of our cash flow from operations to payments on our debt;

(c) limit our flexibility in planning for a growth and change in business;

(d) limit us from formulating any scheme of amalgamation or reconstruction, merger or demerger or any sort of change in control event;

(e) limit us from entering into borrowing arrangements with other banks or financial institutions; and

(f) limit our flexibility in raising capital in the form of debt or equity.

Though there has been no downgrade in our credit rating in the last 3 years, there can be no assurance that we will be able to secure adequate financing in the future on commercially acceptable terms, or at all, including in the event our lenders call in loans repayable on demand or if there is a change in applicable regulations. Our inability to maintain sufficient cash flow, obtain or maintain credit facilities and other sources of funding, in a timely manner, or at all, to meet our working capital requirements or to meet out financial obligations, could adversely affect our financial condition and results of operations. For details on our working capital facilities, see "*Financial Indebtedness*" on page 318.

19. We are required to maintain various licences and permits for our business.

Our business is subject to applicable government regulations and legislations and we require certain statutory and regulatory approvals, licences, registrations and permissions for operating our business. These permits, licences and approvals may also be tied to numerous conditions and terms, obtaining some of which may be time consuming and may incur high cost.

We cannot assure you that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, which may lead to cancellation, revocation or suspension of relevant permits, licenses, registrations and approvals. There is no assurance in the future that the permits, licenses, registrations and approvals applied for or held by us will be issued, approved or renewed in a prompt manner, or at all, under applicable laws.

Further, applications for approvals, licences, registrations and permissions for operating our business need to be made within certain timeframes and are often subject to the discretion of relevant authorities. If we are unable to make applications or renew or obtain necessary permits, licences and approvals on acceptable terms, in a timely manner, at a reasonable cost, or at all or in the event we fail to comply with the terms and conditions therein, it could materially and adversely affect our financial condition and results of operations, including cancellation, revocation or suspension of relevant permits, licenses, registrations and approvals and the imposition of penalties by relevant authorities. For details, see "*Government and Other Approvals*" on page 326.

20. We may be unable to maintain or establish arrangements with job workers and suppliers through whom we manufacture our products and procure raw materials, and may experience other disruptions or quality control risks in the operations of such parties.

We manufacture our products through our network of job workers and procure raw materials from Banks/Authorised Dealers. While we place orders with our list of suppliers, they are not contractually bound to deal with us exclusively, and we may face the risk of our competitors offering better terms, which may cause them to prefer our competitors over us. Our arrangements with these job workers and suppliers could involve various risks, including potential interruption to their operations for factors beyond their or our control, any significant adverse changes in their financial or business condition, as well as low levels of output, quality or efficiency. Any disruption in the operations of these job workers or suppliers could have an adverse impact on our financial condition and results of operations.

In addition, while we exercise significant influence and undertake a number of quality control procedures to ensure we are selling only quality jewellery to our customers, including having all of our jewellery Bureau of Indian Standards ("**BIS**"), hallmarked and conducting tests on each new batch of products we receive from our job workers and suppliers, there is no assurance that our quality control measures will be effective. If we receive negative publicity about the quality of our jewellery or our job workers receive negative publicity, our reputation, business and results of operations could be adversely affected.

21. We may be unable to renew our leases for our existing showrooms or secure new leases for our existing or new showrooms on commercially acceptable terms.

Except for our flagship showroom located at V-Square, Visakhapatnam, the rest of our existing showrooms are located on leased properties. We typically enter into lease agreements for our showrooms. While we renew these lease agreements periodically in the ordinary course of business, in the event that these existing leases are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, sizes or locations, our business, financial condition and results of operations may be adversely affected. In addition, any adverse development relating to the landlords' title or ownership rights to such properties may entail significant disruptions to our operations, especially if we are forced to vacate leased spaces following any such developments. If our sales do not increase in line with our rent and costs, including setup and interior design costs, our profitability and results of operations could be adversely affected.

Our growth strategy involves expanding our showroom network, which necessitates the identification of suitable locations, considering the positioning and visibility of the space as well as the characteristics of nearby businesses and the demographics of the area. The premises for most of our proposed new showrooms are also expected to be taken on lease. The success of our business is significantly dependent on factors such as the availability of suitable sites for our showrooms in prime, business district, financially viable and desirable areas on commercially acceptable terms and we encounter competition from other jewellery companies in this regard. There can be no assurance that we will be able to secure leases for our showrooms in suitable areas, in time, or on terms that are acceptable to us or at all. Failure to do so may adversely affect our business prospects, financial condition and results of operations.

22. We may be subject to fraud, theft, employee negligence or similar incidents.

Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during showroom stocking and display and otherwise. Our industry typically encounters some inventory loss on account of employee theft, shoplifting, robbery, vendor fraud, credit card fraud and general administrative error. We maintain large amounts of inventory at all our showrooms at all times. Though we have not reported any instances of theft or fraud in the past, and we have set up various state of the art security measures at every possible place, 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 that may be caused by other casualties, flood, earthquake or any other natural calamities, there can be no assurance that we will be able to recover from our insurers the full or adequate amount of any such loss that we may suffer in a timely manner. 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 an adverse effect on our business, results of operations and financial condition.

23. The objects of the Offer have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Any variation in the utilization of the Net Proceeds or in the terms of the conditions as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.

We propose to utilise the Net Proceeds for opening of proposed 8 new showrooms with the inventory thereon and general corporate purposes. For details, see "*Objects of the Offer*" on page 92. The deployment of the Net Proceeds would be based on management estimates, prevailing circumstances of our business & market conditions. The Objects of the Offer have not been appraised by any bank or financial institution. Accordingly, at this stage, we cannot determine with any certainty if we will require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the DRHP without obtaining the Shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds and any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations.

Our Company may have to revise its management estimates from time to time on account of various factors, including factors beyond its control such as market conditions, competition, cost of commodities and interest, and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section, may limit or delay our Company's efforts to use the Net Proceeds to achieve profitable growth in its business. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. Any variation in the planned use of the Net Proceeds would require Shareholders' approval and may involve considerable time or cost overrun and in such an eventuality it may adversely affect our operations or business.

24. We have in the past entered into related party transactions and may continue to do so in the future.

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties, which include loans, lease advances and guarantees given by our Company. For details, see "*Other Financial Information - Related Party Transactions*" on page 284. We cannot assure you that we will receive similar terms in our related party transactions in the future. While we believe that all such related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Any further transactions with our related parties could involve conflicts of interest. Further, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework *including* specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. All of our related party transactions of our Company shall be conducted in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable law as applicable. However, we cannot assure you that in the future, related party transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and cash flows, including as a result of potential conflicts of interest or otherwise. For more information regarding our related party transactions, see "*Other Financial Information – Related Party Transactions*" on page 285.

25. 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 dependant 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.

26. If any new products or brands that we launch are not as successful as we anticipate, our business, results of operations and financial condition may be adversely affected.

We believe that in our line of business it is important to innovate. The same may be in the form of product offering, product design, style and quality. We have in the past continuously launched new range and variants of product offerings. Before taking any innovation with respect to new design, new range of products or launching a new brand, we do an in depth research on the subject to gauge and ensure its viability and profitability. Based on our research and study in the past, we launched our sub-brand "VISESHA" in April 2018. Visesha is an exclusive collection of hand crafted & curated jewellery to address the needs of high value customers with personalised services.

However, we cannot assure that our research and analysis will be correct. We cannot assure that such decision of launching a new brand or sub-brand or a variant of product will be successful. If such launch of new brand or sub-brand or product variant is not successful as anticipated by us, the same may adversely affect our business, profitability and result of operation.

27. We may be subject to fluctuations in prices or any unavailability of the raw materials that we use in our products.

We procure gold which is our main raw material, through Banks and authorised bullion dealers. Any fluctuations in the price of gold may have an effect on our business, results of operations and financial condition. We also use other raw materials like silver, platinum, diamonds and various stones, which are also subject to price fluctuations. The price of gold is affected by domestic factors as well as global factors such as market fluctuations, product demand, purchasing power of government agencies, mining, production, rate of inflation, global currency exchange rates, interest and lending rates, economic condition, political condition, change in law, etc.

Any adverse effect on the availability of certain raw materials due to various factors may attract higher price for such raw materials and difficulty in procuring such raw materials. Along with gold, we do have requirement of other raw materials such as diamonds, silver and various precious stones and the demand and supply of such precious raw materials are also dependant on various global factors, which may affect the availability and the costing of such raw materials.

Furthermore, our arrangements with our suppliers of raw materials do not provide for minimum guarantees of supply. Any adverse changes in the supply of raw materials required for our products, may require us to increase prices or stop producing certain products and could materially adversely impact our business, results of operations and financial condition.

28. If we are unable to protect credit card or debit card data or any data related to any other electronic mode of payment, or any other personal information that we collect, our reputation could be significantly harmed.

The use of electronic payment methods and collection of other personal information both on our e-commerce platform and in our physical showrooms, exposes us to an increased risk of privacy and security breaches as well as other risks. Although we use secure private networks to transmit confidential information, third parties may have the technology or know-how to breach the security of the customer information transmitted in connection with credit and debit card sales and use of e-wallets, and our security measures and those of technology suppliers may not effectively prohibit others from obtaining improper access to this information. If a person is able to circumvent our security measures or otherwise gain access to the confidential information that we collect, they may be able to destroy or steal valuable information or otherwise disrupt our operations. We may become subject to claims for purportedly fraudulent transactions arising out of the actual or alleged theft of credit or debit card information or other confidential information, and we may also be subject to lawsuits or other proceedings relating to these types of incidents. Any such claim or proceeding could cause us to incur significant unplanned expenses, which could have an adverse impact on our financial condition, results of operations and cash flows. Further, adverse publicity resulting from these allegations could significantly harm our reputation and may have a material adverse effect on us and our showrooms.

Moreover, we receive and process certain personal financial and other information about our customers and employees when we accept credit cards for payment. While we do not save payment information of our customers, the use and handling of this information is regulated by evolving and increasingly demanding laws and regulations in India. If our security and information systems are compromised as a result of data corruption or loss, cyberattack or a network security incident or our employees, or suppliers fail to comply with these laws and regulations, and this information is obtained by unauthorized persons or used inappropriately, it could subject us to litigation and government enforcement actions, damage our reputation, cause us to incur substantial costs, liabilities and penalties and/or result in a loss of customer confidence, any and all of which could adversely affect our business, financial condition and results of operations.

29. We operate in a competitive market and face competition from other jewellery retailers. Any increase in competition may adversely affect our business and financial condition.

The markets in which we operate are highly competitive. Our competitors include both organised pan-India jewellers as well as unorganized local players in the various markets in which we operate. See "*Industry Overview*" on page 111. Some of our competitors have achieved significant recognition for their brand names due to their presence over the years. Industry consolidation, either by virtue of mergers and acquisitions or by a shift in market power among competitors, may accentuate these trends and give our competitors an upper hand. In addition, some of our competitors in smaller local markets have advantages of having strong reputations and established trust with customers due to various factors and presence over the years, which could be difficult for us to challenge or replicate in a sustained manner in the future. Our Company faces competition from existing jewellery retailers, both organised and unorganised, and potential entrants to the jewellery retail industry that may adversely affect our competitive position and our profitability. We expect competition could increase with new entrants coming into jewellery industry, who may have more flexibility in responding to changing business and economic conditions, and existing players consolidating their positions. Some of our competitors may have access to significantly greater resources, including the ability to spend more on advertising and marketing and hence the ability to compete more effectively. We face competition across our business activities from varied peers. Further, although e-commerce space is not currently a major competitive channel in the jewellery sector, we may face increased competition from e-commerce in the future.

Some of our competitors are larger and have greater financial resources or a more experienced management team than us. Like us, they may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more credible integrated or lower cost solutions than we do, which may have a negative effect on our sales. Further, our competitors may set up showrooms in the vicinity of our existing showrooms and may offer their products at lower prices, resulting in a decreasing of sales of our products. We cannot assure you that we can continue to compete effectively with our competitors. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising will affect our business, results of operations and financial condition.

We believe that our principal competitive factors include brand name, quality of product, product style, product range, innovation, display, multiple choice, price transparency and competitiveness, various schemes, personalised service to our customers, scalability of production, store location and accessibility, designs suited to local preferences and choices, varied and efficient employee strength base, 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.

To compete effectively and to attract customers in diverse markets, we must continue to market and competitively price our products, and we may experience downward pricing pressures, increased marketing expenditures and loss of market share.

Within this competitive pricing environment, we may, nevertheless, be forced to raise prices due to rising costs of goods sold, such as gold, silver and other raw material costs, labour costs or other factors beyond our control. If we implement significant price increases across a wide range of our products, the impact on our earnings will depend on, among other factors, the pricing by competitors of similar products and the response by customers to higher prices. Such price increases may reduce the quantity of products we sell and adversely affect our business, results of operations and financial condition.

30. We may be subject to labour unrest and slowdowns.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. Our employees are not unionised. However, in the event that employees seek to unionise, it may become difficult for us to maintain flexible labour policies, which may increase our costs and adversely affect our business. We believe our employees and personnel, including personnel at our showrooms are critical to maintain our competitive position. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work or our retail operations due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are very difficult for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

31. There are certain instances of non-compliances and alleged non-compliances with respect to certain regulatory filings for corporate actions taken by our Company in the past. Consequently, we may be subject to regulatory actions and penalties for any such past or future non-compliance and our business, financial condition and reputation may be adversely affected.

There are instances of factual errors in our corporate records, in relation to certain corporate actions taken by our Company in the past and there may have been certain procedural non-compliances in the past. This may subject us to regulatory actionsand/or penalties which may adversely affect our business, financial condition and reputation. There can be no assurance that any future non-compliances will not result in the application of any penalties or arise again, or that we will be able to rectify or mitigate any such non-compliances, in a timely manner or at all.

32. We may be unable to respond to the constant changes in consumer demands and market trends in a timely manner.

Our success depends on our ability to identify, innovate, originate and define product and market trends, at local level, as well as to anticipate, gauge and react to rapidly changing consumer demands and the changes in market in a timely manner. The trend in the market where we operate, keeps changing and therefore it is imperative that our product must also appeal to a broad range of customers whose preferences may vary significantly across regions and cannot be predicted with certainty. We cannot assure you that the demand for our products with end-consumers will continue to grow or that we will be able to continue to develop appealing styles or meet rapidly changing consumer demands and styles in the future. We also enter into contracts with local job workers to make such jewellery. If we are unable to attract sufficient demand for our products or identify job workers to make jewellery which is appealing to the local population, our business may suffer and this may result into a negative financial impact.

Customer preferences could be affected by a variety of issues, including promotion of specific types of jewellery by the fashion industry, change in trend, cost of the final product, promotion of contemporary designs over traditional gold jewellery, a decrease in the perceived value and customer satisfaction of the jewellery compared to its price, the availability of alternate metals, increase in imitation or other form of market.

Any inability to respond to changes in consumer demands, product styling and market trends in a timely manner could have a material adverse effect on our business, financial condition and results of operations.

33. Our e-commerce business faces distinct risks, and our failure to successfully manage those risks could have a negative impact on our profitability.

We believe that by providing our wide range of products for sale on our Company e-commerce platform along with other market places worked as an added advantage to grow and scale up our business. Our e-commerce platform gives us the leverage and the bandwidth to reach out to customers across various part of the globe. However, e-commerce platform runs on technology that requires continuous upgradation and innovation at various levels & intervals and also involves an amount of risk attached to it. Similarly, the technology of the e-commerce segment of our business is exposed to certain risks and any failure on our part to manage or mitigate such risk can disrupt our e-commerce business or platform and may have an adverse effect on our profitability and result of operations.

34. We may be subject to negative publicity with respect to our products or brand or any third party using the name "Vaibhav Gems 'N' Jewellers" or similar trade names.

Infringement of name, brand or trademark can have huge repercussion on the growth, viability and profitability of a brand. Our business is dependent on the trust our customers have in our brand, visibility and above all the quality of our products. Any negative publicity regarding us, our brand, our products or the jewellery industry generally could adversely affect our reputation and our results of operations. Our brand can be adversely affected by negative publicity or any claims concerning other businesses using the name "Vaibhav Jewellers" and "Vishesha" or similar trade names, whether or not they are part of the Promoter Group and such usage can be very deceptive in nature and can have a negative impact on our brand. While we own various trademark, we cannot guarantee that a third party may not use such names and we may have no control over such usage (For details, see *"Our Business"* on page 159 and see "*Government and Other Approvals*" on page 326). Any negative publicity with respect to such other businesses, poor quality of products and services could adversely impact us, our brand and our products and will lead to a negative impact and a loss of our foothold in the market. Negative publicity regarding the brand ambassadors we choose to represent our brand in today's world of social and digital media could also negatively impact us. Any such negative publicity regarding us, or our jewellery or that adversely affects our brand could have material adverse effect on our business, financial condition and results of operations.

35. We may not be able to successfully adapt and innovate our systems, including our internal controls and procedures over financial reporting and even our Information Technology systems, as a result of increasing business complexities and demand.

While we have thrived to build a robust information technology platform, governance frameworks and operational management systems to manage our business operations and to support our future growth at every level, the increasing business demand, requirement and complexity of our operations may place additional burden and requirements on our systems, controls, process, procedures and management and, as a result, may strain our ability to manage our future growth. We cannot assure that any specific control system that we implement and put in place will succeed in achieving its stated goals under all potential future conditions.

Many of our control systems are dependent on third-party software and technology. Our third-party software may be subject to damage, software errors, bugs, computer viruses, security breaches, crashes 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. Such interruption may disrupt the business and have a negative impact on the financial implication.

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, and 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 analyse 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 and we do have effective back up systems in place to tackle any unexpected minor disruption, however, 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. Although we have anti-virus and anti-hacking measures in place, we cannot assure you that we can successfully block and prevent all hacking or other breaches. 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 analyse sales of our products to customers across all of our showrooms. Any failure, disruption or manipulation of our tagging system could disrupt our ability to track, record and analyse sales of our products, which could have a material adverse effect on our business.

36. ***We have introduced purchase advance schemes as a part of our business operations from June 01, 2022. Though, we have not faced any queries or concern regarding the same, however, we cannot assure that we will not receive any queries or complaint in the future. Any such queries or complaint in the future may have adverse outcome which may affect us and/or our Directors under applicable laws.***

We have started offering purchase advance schemes from June 01, 2022 as a part of our business operations. Through ***these*** schemes, customers can make monthly instalments over a period of up to 11 months, to purchase jewellery within such period as specified in the scheme. Such period will be within 365 days for the customers. As a part of the aforementioned scheme, the payment is made in instalments by the customer to the Company as an advance for the purchase of the jewellery at a later date. While we have not faced any complaint, regulatory action, query in relation to the scheme, we cannot assure that we will not face any complaint, regulatory action, or query in relation to the scheme in the future. Any such claim, query or regulatory action may lead to penalty, fines or specific proceedings being initiated against us under the provisions of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended or any other applicable law. Any such adverse regulatory actions or claims may adversely impact our profitability, results of operations and future prospects.

37. ***Our ability to attract customers is dependent on the success and visibility of our showrooms and its geographical location.***

We endeavor to open showrooms in proper, accessible, viable and optimal locations and generally consider a relevant location's demographics, spending capacity, economic conditions, cost-benefit analysis, accessibility of public, commercial viability and proximity to our competitors' showrooms. Showroom locations may become unsuitable, and our sales volume and customer traffic generally may be slowed, among other things: economic downturns in a particular area; competition from nearby jewellery companies; reduction in the market value of the area; changing customer preference; changing consumer demographics in a particular market; changing lifestyle choices of consumers in a particular market; government imposed lockdowns due to pandemics, such as COVID-19; and the popularity of other businesses located near our showrooms. This change may adversely affect our business, financial condition and results of operations.

38. ***The current geographic concentration of our operations creates an exposure to local economies, regional downturns and severe weather or other catastrophic occurrences.***

We operate only in Southern part of India and spread across only two states namely Andhra Pradesh and Telangana. As a result, our business is susceptible to regional conditions in South India, and we are vulnerable to economic downturns in the region. Any unforeseen events or circumstances that negatively affect these areas 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 telecommunications failures, cyber-attacks, fires, riots, political unrest or terrorist attacks, natural calamities. Disruptions in our operations, whether at our showrooms, or other locations, due to natural disasters or other catastrophes could have an adverse effect on our business, financial condition and results of operations.

39. ***Ineffective execution of marketing programs and reduced marketing expenditure could have an adverse effect on our sales.***

Being a jewellery retailer, primary factors in determining consumers buying decision includes customer confidence, price points for our products, quality of our products, timely delivery of our products, designs together with the level and quality of customer service. The ability to differentiate our products from competitors by its branding, marketing and advertising programs is an important factor in attracting consumers. As a result, from time to time we will be undertaking brand building exercise and marketing programs to enhance our brand visibility. If these programs are ineffectively executed or the level of support for them is reduced, it could affect our ability to attract customers. Further, we cannot assure you that we will be able to accurately estimate our marketing expenditure for our retail and e-commerce operations. In case our marketing expenses are lesser than market standards, our marketing programs may be ineffective. However, if our marketing expenses are higher than the market standards, it may adversely affect our income and results of operations.

40. Jewellery purchases are discretionary and are often perceived to be a luxury purchase. Any factor which may bring discretionary spending by consumers under pressure may adversely affect our business, results of operations and financial condition.

Jewellery purchases are typically high-value, luxury purchases and depend on consumers' discretionary spending power. Various factors affect discretionary consumer spending, including economic conditions, perceptions of such conditions by consumers, economic outlook, employment, the level of consumers' disposable income, the savings ratio, business conditions, inflation levels, interest rates, consumer debt and asset values, availability of credit and levels of taxation, among others. Most of our customers are individuals who purchase jewellery for personal use. Additionally, gold and diamond jewellery are not perceived to be a necessity, which may result in a significant fall in demand in the case of adverse economic conditions, as opposed to demand for those goods that are perceived as a necessity. Any such fall in demand or a decline in the general economic conditions in India or our international markets or conditions, which may bring discretionary spending by consumers under pressure could adversely affect our business, financial condition and results of operations.

41. 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 and effect our sales and growth. We believe in providing quality product and services to our customers at all times. However, we have in the past experienced customer complaints, which we endeavour to resolve through prompt and effective customer service methods in a timely manner and satisfy the customer needs and grievances. Any inability by us to properly manage or train our sales staff, employees 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.

42. We may not be able to protect our trademarks from infringement.

We own a set of various trademarks which are very important for our brand and business. We are known and identified by those trademarks and protecting the same is very important for us. Although we take steps to monitor the possible infringement or misuse of our trademarks, it is possible that third parties may infringe, dilute or otherwise violate our trademark rights. Any unauthorised use of our trademarks 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 *"Our Business"* on page 159 and see "*Government and Other Approvals*" on page 326.

43. We do not register our jewellery designs under the Designs Act, 2000 and we may fail to protect our jewellery designs that may be unique and relative to our brand.

We select the jewellery designs from amongst the designs made by the designing team, based on market trends and our requirements in each of our retail showrooms. Due to the competitive nature of the jewellery retail markets in which we operate, innovative designs remain the key differentiators, which therefore possess short life span. Consequently, jewellery designs change on a frequent basis and hence we do not register these designs under the Designs Act, 2000. Our designs therefore are not protected under the Designs Act, 2000 and if competitors copy our designs it could lead to loss of income, which could adversely affect our reputation and our results of operations.

We change our jewellery designs on a regular basis and such designs are not registered under the Design Act, 2000. As such, it would be difficult for us to enforce our intellectual property rights in our designs that may be unique and created in house by us, and if our competitors copy our designs, in particular the designs of our products available on our website or the designs given to third-party contractors, it could lead to an imitation of our product at a lower quality and lower price and leading to loss of revenue, which could adversely affect our results of operations and financial condition. Additionally, there is a possibility that designs developed by us may inadvertently infringe on the intellectual property rights of third parties unknowingly, which may expose us to legal proceedings.

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

Our business entails handling of huge inventory and high value products. It is imperative in our business that adequate insurance coverage is taken. Our insurance policies currently cover our jewellery items, building, keyman, raw material and cash in storerooms, transit and while being handled by our employees, including with respect to fire and special perils. As at August 15, 2022, we have insurance coverage for ₹ 9322.05 million. Notwithstanding the complete insurance coverage that we carry, there may be a possibility that we may not be fully insured against certain business risks and to the extent required. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. Though, we never had any instances of insurance claims in the past, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. For details of our insurances, see "*Our Business*" on page 159.

45. Certain sections of this Draft Red Herring Prospectus disclose information from an industry report commissioned by us from Technopak Advisors Private Limited who is an independent third party entity and is not related to the Company, its Promoters or Directors in manner whatsoever. Any reliance on such information for making an investment decision in the Offer is subject to inherent risks.

Pursuant to being engaged by us, Technopak Advisors Private Limited ("**Technopak**") who is not related to the Company, its Promoters or Directors in manner whatsoever, prepared a report dated August 31, 2022, titled, "*Indian Jewellery Retail Industry Report*" ("**Technopak Report**"). Certain sections of this DRHP include information based on, or derived from, the Technopak Report or extracts of the Technopak Report. We have not done any prior due diligence or a background check on the data and information provided in the Technopak Report. Neither our Company (including our Directors), the Promoter Selling Shareholder and the Book Running Lead Managers possess the professional skills to evaluate the accuracy, adequacy, completeness, correctness and objectivity of, or verify, the information covered in the Technopak Report and cannot provide any assurance regarding the information in this DRHP derived from, or based on, the Technopak Report. All such information in this DRHP which indicates the Technopak Report as its source is duly mentioned for reference. Accordingly, any information in this DRHP derived from, or based on, the Technopak Report should be read taking into consideration the foregoing. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this DRHP based on, or derived from, the Technopak Report. See "*Industry Overview*" on page 111 for further information.

46. Our management will have broad discretion over the use of the Net Proceeds.

We intend to use the Net Proceeds for (i) Capital expenditure cost for the proposed eight (8) new showrooms (ii) Inventory cost for the proposed eight (8) new showrooms and (ii) general corporate purposes. The deployment of the Net Proceeds is based on management estimates, prevailing circumstances of our business and market conditions and has not been appraised by any bank, financial institution or other independent institution. We may have to revise our funding requirements and deployment from time to time due to various factors, such as changes in costs, financial and market conditions, business, strategy considerations, interest and exchange rate fluctuations or other external factors, which may or may not be within the control of our management. This may entail rescheduling, revisiting and revising planned expenditure and funding requirements and increasing or decreasing expenditures for a particular purpose from planned expenditures at the discretion of our management and subject to applicable law. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds. The application of the Net Proceeds in our business may not lead to an increase in the value of the investment of the equity shareholders. Various risks and uncertainties, including those set forth in this section "*Risk Factors*", may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For details see, "*Objects of the Offer*" on page 92.

47. Our Promoters, certain of our Directors and Key Managerial Personnel hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses. Our Promoters and members of our Promoter Group will continue to retain control over our Company after completion of the Offer, which will allow them to influence the outcome of matters submitted for approval of our shareholders.

Certain of our Directors (including our individual Promoters) hold equity interests in our Company, in addition to regular remuneration or benefits and reimbursement of expenses. We cannot assure you that our Promoters and Directors will exercise their rights as shareholders to the benefit and best interest of our Company. Following the completion of the Offer, our Promoters and members of our Promoter Group will continue to hold approximately [●]% of our post-Offer Equity Share capital. As a result, they will have the ability to significantly influence matters requiring shareholders' approval, including the ability to appoint Directors to our Board of Directors and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our MOA and AOA, and any assignment or transfer of our interest in any of our licenses. We cannot assure you that our Promoters will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For details on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management – Interest of Directors*" and "*Our Promoters and Promoter Group– Interest of Promoters*" on pages 202 and 223, respectively.

48. ***Our Company will not receive the entire proceeds from the Offer. Promoter Selling Shareholder is selling equity shares in the Offer and will receive proceeds as part of the Offer for Sale.***

The Offer comprises a Fresh Issue of [●]* Equity Shares aggregating to ₹ 2100.00 million by our Company and an offer for sale of upto 4,300,000* Equity Shares aggregating to ₹ [●] million by the Promoter Selling Shareholder. The proceeds from the Offer for Sale will be paid to the Promoter Selling Shareholder in proportion to their respective portion of their Offered Shares and our Company will not receive any such proceeds. For further details, see the section entitled "*Objects of the Offer*" and "*Capital Structure*" on pages 92 and 79 respectively.
**Subject to finalisation of the Basis of Allotment*

External Risks

49. ***Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, 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 materially and adversely affect our business, financial condition and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory 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. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. A worsening of the current outbreak of COVID-19 virus or future outbreaks of COVID-19 virus, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of avian or swine influenza or other contagious disease could have a material adverse effect on our business and the trading priceof the Equity Shares.

50. ***Changing laws, rules and regulations and legal uncertainties, including tax laws and regulations, may adversely affect our business and financial performance.***

The governmental and regulatory bodies in India and other jurisdictions where we operate may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/or may require us to apply for additional approvals.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and services tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. We are involved in various disputes with tax authorities. For details of these disputes, see *"Outstanding Litigation and Material Developments"* on page 321. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time.

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Ordinance, 2019, a new tax ordinance issued by India's Ministry of Finance on September 20, 2019, prescribes a number of changes to the income tax rate applicable to companies in India. According to this new ordinance, companies can henceforth voluntarily opt for a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. We have opted for the concessional tax regime and continue to be subject to other benefits and exemptions. Any such future amendments may affect our other benefits such as an exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

The Finance Act, 2020 ("**Finance Act**"), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely to be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. Further, the Government of India has notified the Finance Act, 2021, which has introduced various amendments to taxation laws in India. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

51. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook by Moody's and from BBB with a "stable" outlook to BBB with a "negative" outlook (Fitch) in June 2020; and from BBB "stable" to BBB "negative" by DBRS in May 2020. India's sovereign ratings from S&P is BBB- with a "stable" outlook. Any further 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 financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

52. Our business is dependent on the Indian economy. Any adverse development or slowdown in Indian economy may have an adverse impact on our business, results of operations and financial condition.

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by central or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise.

There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in currency exchange rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our medical equipment for our services and, as a result, on our business and financial results.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in the emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world have affected the Indian economy in the past. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

53. Changes or a downturn in economic conditions, in particular in our principal markets, may affect consumer spending, including on our products.

Our revenues and results of operations are impacted by global economic conditions at regular interval, as well as the specific economic conditions of the market. Such conditions include levels of employment, cost, revenue, inflation or deflation, real disposable income, interest rates, taxation, currency exchange rates, stock market performance, supply and demand chain, value of raw materials, the availability of consumer credit, levels of consumer debt, consumer confidence, consumer perception of economic conditions and consumer willingness to spend, all of which are beyond our control at all times. An economic downturn or an otherwise uncertain economic outlook in our principal markets, in any other markets in which, we may operate in the future, or on a global scale could adversely affect our consumer spending habits and traffic, which could have a material adverse effect on our business, results of operations and financial condition.

54. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers 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 or in the alternate, the pricing is in compliance with the extant provisions of the SEBI Regulations. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls 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 Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**"), the foreign direct investment policy has been recently amended to state that all investments under the foreign direct investment route 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 GoI. Further, in the event of a 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 GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made a similar amendment to the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

55. You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under the current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long term capital gains tax in India. Such long term capital gains exceeding ₹ 100,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). Unrealized capital gains earned on listed equity shares up to January 31, 2018 continue to be tax-exempted in such cases. Further, STT will be levied and collected by an Indian stock exchange if the equity shares are sold on a stock exchange. With respect to capital gains arising in an off market sale, long term capital gains are subject to tax at the rate of 20% (plus applicable surcharge and cess) without the exemption of ₹ 100,000. Short-term capital gains, arising from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 15% (plus applicable surcharge and cess), while short term capital gains arising in an off-market sale would be subject to tax at a higher rate of 40% (plus applicable surcharge and cess) in the case of foreign companies and at prevailing rates in force (plus applicable surcharge and cess) in the case of other non-resident taxpayers.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020. It clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Additionally, the Finance Act, 2020 does not require dividend distribution tax to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Historically, 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 for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

56. Political changes could adversely affect economic conditions in India.

Our Company is incorporated in India and derives the majority of its revenue from operations in India and the majority of its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

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

(a) the macroeconomic climate, including any increase in Indian interest rates or inflation;

(b) any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;

(c) 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;

(d) prevailing income conditions among Indian customers and Indian corporations;

(e) epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;

(f) volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;

(g) changes in India's tax, trade, fiscal or monetary policies;

(h) political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;

(i) occurrence of natural or man-made disasters;

(j) prevailing regional or global economic conditions, including in India's principal export markets;

(k) other significant regulatory or economic developments in or affecting India or its consumption sector;

(l) international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;

(m) protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;

(n) logistical and communications challenges;

(o) downgrading of India's sovereign debt rating by rating agencies;

(p) difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and

(q) 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 and financial condition and the price of the Equity Shares.

57. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

Furthermore, economic developments globally can have a significant impact on our principal markets of India and the Middle East. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation.

These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital.

This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

58. 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.

59. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS* and *U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.

Our restated financial information for, Fiscals 2020, 2021 and 2022 included in this Draft Red Herring Prospectus are presented in conformity with Ind AS, in each case restated in accordance with the requirements of Section 26 of part I of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the Restated Financial Information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Persons not familiar with Ind AS should limit their reliance on the financial disclosures presented inthis Draft Red Herring Prospectus.

60. Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced against us.

The Competition Act, 2002, or the Competition Act seeks to prevent business practices that have a material adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause a material adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement that directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market or number of customers in the market is presumed to have a material adverse effect on competition in the relevant market in India and shall be void.

The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the GoI notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and prospects.

61. Our ability to raise foreign capital may be constrained by Indian law.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmentalagency can be obtained on any particular terms, or at all.

In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**"), the foreign direct investment policy has been recently amended to state that all investments under the foreign direct investment route 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 GoI. 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 GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made similar amendment to the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

Risks Related to the Offer

***62. Our Promoters and members of our Promoter Group will continue to hold a significant equity stake in our Company after the Offer*.**

Upon completion of the Offer, our Promoters and members of our Promoter Group will hold [●]% of our paid-up Equity Share capital. For details, see "Capital Structure" on page 79. Our Promoters and members of Promoter Group will therefore have the ability to influence our operations significantly. This will include the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings including issue of Equity Shares, payment of dividends, determining business plans and mergers and acquisitions strategies. Further, if, in the future, our Promoters and members of Promoter Group are unwilling to dilute their equity stake in our Company and do not, or are unable to, fund us, our growth may be affected. In addition, the trading price of the Equity Shares could be materially adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoters and members of our Promoter Group.

63. We cannot assure payment of dividends on the Equity Shares in the future.

While our declaration of dividends is at the discretion of our Board and subject to Shareholder approval as set out in the section entitled "Dividend Policy" on page 232, the amount of future dividend payments by our Company, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. Our Company may decide to retain all of its earnings to finance the development and expansion of its business and therefore, we may not declare dividends on the Equity Shares. Additionally, we may, in the future, be restricted by the terms of our loan agreements to make any dividend payments unless otherwise agreed with our lenders.

64. After the Offer, the price of the Equity Shares may become highly volatile, or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares may fluctuate after the Offer as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors; adverse media reports about us or the jewellery industry generally; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal regulations. There has been no public market for the Equity Shares of our Company and the price of the Equity Shares may fluctuate after the Offer.

If the stock price of the Equity Shares fluctuates after the Offer, investors could lose a significant part of their investment. As of the date of this Draft Red Herring Prospectus, there is no market for the Equity Shares. Following the Offer, the Equity Shares are expected to trade on the Stock Exchanges. There can be no assurance that active trading in the Equity Shares will develop after the Offer or, if such trading develops, that it will continue. Investors might not be able to sell the Equity Shares rapidly at the quoted price if there is no active trading in the Equity Shares.

65. Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("STT"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. 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 for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Similarly, any business income realised from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUFs.

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments were notified on December 10, 2019 and have come into effect from July 1, 2020.

The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that DDT will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company would be required to deduct tax at source from dividend credited, paid or distributed to its shareholders.

The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

66. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

The initial public offering price will be determined by the Book Building Process and may not be indicative of prices that will prevail in the open market following the Offer. The market price of the Equity Shares may be influenced by many factors, some of which are beyond our control, including:

(a) the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;

(b) the activities of competitors and suppliers;

(c) future sales of the Equity Shares by our Company or our shareholders;

(d) investor perception of us and the industry in which we operate;

(e) our quarterly or annual earnings or those of our competitors;

(f) developments affecting fiscal, industrial or environmental regulations;

(g) the public's reaction to our press releases and adverse media reports; and

(h) general economic conditions.

As a result of these factors, investors may not be able to resell their Equity Shares at or above the initial public offering price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above theOffer Price.

67. Investors may have difficulty enforcing foreign judgments against our Company or our management.

Our Company is a limited liability company incorporated under the laws of India. The majority of our directors and executive officers are residents of India. A substantial portion of our Company's assets and the assets of our Directors and executive officers' resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against our Company or such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("CPC"), on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. Some jurisdictions including the United Kingdom, UAE, Singapore and Hong Kong have been declared by the GoI to be reciprocating countries for the purposes of Section 44A of the CPC.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India.

Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

68. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, 2013 a company incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new Equity Shares, unless the preemptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares	Up to [●] Equity Shares, aggregating up to ₹ [●] million
***of which*:**	
Fresh Issue [(1)^]	Up to [●] Equity Shares, aggregating up to ₹ 2100.00 million
Offer for Sale by the Promoter Selling Shareholder [(2)]	Up to 4,300,000 Equity Shares, aggregating up to ₹ [●] million by the Promoter Selling Shareholder
The Offer^ comprises of:	
A) QIB Portion [(3)(4)]	Not more than [●] Equity Shares
***of which*:**	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Net QIB Portion for allocation to QIBs other than Anchor (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	Up to [●] Equity Shares
B) Non-Institutional Portion[(5)]	Not less than [●] Equity Shares
Of which:	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000	Upto [●] Equity Shares
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 1,000,000	Upto [●] Equity Shares
C) Retail Portion	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	39,080,000 Equity Shares
Equity Shares outstanding post the Offer	[●] Equity Shares
Use of Net Proceeds out of this Offer	See "*Objects of the Offer*" on page 92 for information on the use of proceeds arising from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

^Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of such number of securities for cash consideration aggregating up to ₹ 400.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

(1) *The Offer has been authorized by a resolution passed by our Board of Directors in their meeting held on August 22, 2022. Our Shareholders vide special resolution passed in their extra general meeting held on August 24, 2022, authorised the Fresh Issue.*

(2) *The Equity Shares being offered by* the *Promoter Selling Shareholder are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations. The Promoter Selling Shareholder has approved the transfer of the Offered Shares as set out below*

Name of the Promoter Selling Shareholder	***Number of Equity Shares offered in the Offer for Sale (up to)***	***Date of consent letter***
Grandhi Bharata Mallika Ratna Kumari	*4,300,000*	*August 22, 2022*

(HUF)		

(3) Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for Mutual Funds, subject to valid Bids being received from 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 Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net 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 Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, 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 in proportion to their Bids. For further details, see "Offer Procedure" beginning on page 353.

(4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill- over from any other category or combination of categories, as applicable, at the discretion of our Company and the Promoter Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. In the event of an under-subscription in the Offer, (i) the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares through the Offer for Sale to meet the minimum subscription of 90% of the Fresh Issue. Additionally, even if the minimum subscription to the Fresh Issue is reached, the Equity Shares in the remaining portion of the Fresh Issue will be issued prior to the Equity Shares being offered as part of the Offer for Sale;

(5) Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Investors and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The Equity Shares available for Allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following(i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹200,000 and up to ₹ 1,000,000; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1,000,000 provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allocation to each Non Institutional Investor shall not be less than ₹ 200,000, subject to availability of Equity Shares in the Non Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For further details, see "Offer Procedure" beginning on page 353.

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 ₹ 500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹200,000 and up to ₹500,000, 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 of the terms of the Offer, see "*Terms of the Offer*" on page 343. For further details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure* "and "*Offer Procedure*" on pages 348 and 353, respectively.

SUMMARY OF RESTATED FINANCIAL STATEMENTS

The following tables set forth summary financial information derived from our Restated Financial Statements as at and for the Financial Year ended March 31, 2022, March 31, 2021 and March 31, 2020. The summary financial information presented below should be read in conjunction with "*Financial Information – Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 233 and 286, respectively.

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RESTATED STATEMENT OF ASSETS AND LIABILITIES
(All amounts are in INR million, except otherwise stated)

	Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
ASSETS				
1	**Non-current assets**			
(a)	Property, plant and equipment	463.47	492.46	536.54
(b)	Capital work-in-progress	30.19	65.76	165.62
(c)	Investment properties	191.57	197.16	198.87
(d)	Other intangible assets	1.87	2.29	2.96
(e)	Right-of-use assets	216.39	234.69	471.16
(f)	Financial assets			
(i)	Other financial assets	42.52	39.93	29.82
(g)	Other non-current assets	6.68	7.60	6.82
(h)	Deferred tax assets (Net)	20.73	11.33	8.04
		973.42	**1,051.22**	**1,419.83**
2	**Current assets**			
(a)	Inventories	7,671.50	6,411.74	6,331.18
(b)	Financial assets			
(i)	Trade receivables	200.21	197.63	77.61
(ii)	Cash and cash equivalents	63.92	217.23	180.56
(iii)	Bank balances other than (ii) above	22.51	31.24	63.45
(iv)	Loans	1.70	2.94	1.84
(v)	Other financial assets	1.88	10.00	12.63
(c)	Other current assets	60.19	109.00	99.12
		8,021.91	**6,979.77**	**6,766.40**
	Total Assets	**8,995.33**	**8,030.99**	**8,186.22**
EQUITY AND LIABILITIES				
1	Equity			
(a)	Equity share capital	97.70	97.70	97.70
(b)	Other equity	2,630.89	2,192.16	1,983.10
		2,728.59	**2,289.86**	**2,080.80**
2	**Liabilities**			
(1)	**Non-current liabilities**			
(a)	Financial liabilities			
(i)	Lease liabilities	223.15	226.05	441.28
(ii)	Borrowings	1,040.26	1,139.69	451.68
(iii)	Other financial liabilities	2.12	1.81	1.62
(b)	Provisions	34.95	33.36	32.13
		1,300.48	**1,400.91**	**926.72**
(2)	**Current liabilities**			
(a)	Financial liabilities			
(i)	Lease liabilities	30.96	29.72	40.05

(ii)	Borrowings	3,737.09	3,494.65	3,741.51
(iii)	Trade payables			
	-Due to micro, small and medium enterprises	40.63	-	-
	-Others	845.42	588.82	1,005.95
(iv)	Other financial liabilities	15.73	11.82	18.25
(b)	Other current liabilities	274.13	209.14	350.51
(c)	Provisions	8.64	7.94	5.74
(d)	Current tax liabilities (Net)	13.65	(1.86)	16.70
		4,966.26	**4,340.22**	**5,178.71**
	Total equity and liabilities	**8,995.33**	**8,030.99**	**8,186.22**

RESTATED STATEMENT OF PROFIT AND LOSS

(All amounts are in INR million, except otherwise stated)

		Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
	INCOME				
I	Revenue from operations		16,939.19	14,335.69	12,791.30
II	Other income		37.80	96.09	51.69
		Total Income (I+II)	**16,976.98**	**14,431.79**	**12,842.99**
III	**EXPENSES**				
	(a)	Cost of raw material consumed	9,766.08	8,147.34	5,956.67
	(b)	Purchases of stock-in-trade	6,251.53	4,648.62	6,133.01
	(c)	Changes in inventories	(1,155.81)	(60.91)	(1,214.15)
	(d)	Employee benefit expense	356.17	278.91	401.13
	(e)	Finance costs	416.33	425.34	451.31
	(f)	Depreciation and amortization expense	86.94	87.98	89.41
	(g)	Other expenses	671.64	513.88	692.96
		Total expenses (IV)	**16,392.87**	**14,041.17**	**12,510.33**
V	**Profit before exceptional items and tax (III-IV)**		584.12	390.62	332.65
VI	Exceptional Items (refer note 51)		-	112.34	-
VII	**Profit before tax (V-VI)**		584.12	278.28	332.65
VIII	Tax expense:		147.32	70.91	88.79
	(a)	Current Tax	157.38	74.93	100.59
	(b)	Deferred Tax	(10.06)	(3.86)	(13.34)
	(c)	Short/ (Excess) provision of earlier years	0.00	(0.16)	1.54
IX	**Profit for the year (VII-VIII)**		**436.79**	**207.37**	**243.86**
X	**Other Comprehensive Income**				
	A)	Items that will not be reclassified to profit or loss			
		a) Remeasurements of the defined benefit plans	2.59	2.27	(2.57)
		b) Income tax relating to Items that will not be reclassified to profit or loss	(0.65)	(0.57)	0.65

	Other comprehensive income / (loss) for the year, net of tax	1.94	1.70	(1.92)
XI	**Total comprehensive income for the year (IX+X)**	**438.73**	**209.07**	**241.94**
XII	Earnings per equity share			
	(a) Basic earnings per share of Rs.10/- each	11.18	5.31	6.24
	(b) Diluted earnings per share of Rs.10/- each	11.18	5.31	6.24

RESTATED STATEMENT OF CASH FLOWS

(All amounts are in INR million, except otherwise stated)

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
A) Cash Flows from Operating Activities			
Net profit before tax and exceptional items	584.12	390.62	332.65
Adjustments for:			
Amortisation / Write off of Right to use	18.30	27.44	36.92
Actuarial gain / (loss)	2.59	2.27	(2.57)
Lease cancellation (net impact)	-	8.99	-
Depreciation on property, plant and equipment	67.13	67.97	69.37
Depreciation on investment properties	1.51	1.71	1.72
Unrealized foreign exchange (gain)/ loss	0.52	(17.25)	29.73
(Profit)/ Loss on sale of Property, Plant and Equipment	-	-	1.32
Provision for bad and doubtful debts	3.54	-	-
Account balances written-off	(6.84)	-	-
Interest expense	403.78	415.44	437.75
Interest income	(3.23)	(29.93)	(24.07)
Operating profit before working capital changes	**1,071.40**	**867.26**	**882.83**
Adjustments for working capital changes			
(Increase) / Decrease of Other non-current assets	(0.09)	0.02	0.65
(Increase) / Decrease of Other non-current assets - Financial	(2.11)	(9.49)	84.08
(Increase) / Decrease of Inventories	(1,259.76)	(80.56)	(1,177.07)
(Increase) / Decrease of Trade Receivables	(6.11)	(120.02)	137.63
(Increase) / Decrease of Loans and Other current assets - Financial	9.46	1.04	(4.82)
(Increase) / Decrease of Other current assets	48.30	(9.98)	(37.44)
Increase / (Decrease) of Other long-term liabilities - Financial	0.31	0.19	0.17
Increase / (Decrease) of Long-term Provisions	1.58	1.23	7.32
Increase / (Decrease) of Trade payables	297.23	(417.13)	432.76

Increase / (Decrease) of Other current liabilities	72.22	(140.98)	181.11
Increase / (Decrease) of Other financial liabilities	2.58	1.80	0.15
Increase / (Decrease) of Short term provisions	0.71	2.19	1.25
Cash generated from operations	235.72	95.56	508.61
Income tax paid	(146.15)	(98.29)	(177.58)
Cash Flow Before Exceptional items	89.57	(2.73)	331.03
Exceptional Items	-	(112.34)	-
Net Cash generated from/(used in) operating activities	**89.57**	**(115.07)**	**331.03**
B) Cash flows from Investing Activities			
Sale/ (Purchase) of Property, Plant and Equipment/CWIP (incl capital advances)	(2.00)	73.96	(43.39)
(Increase)/ Decrease in Investment properties (net)	4.09	(0.00)	(108.35)
(Increase)/ Decrease in Deposits	8.73	32.21	76.35
Interest received	2.21	2.92	18.32
Net Cash generated from/(used in) Investing Activities	**13.03**	**109.08**	**(57.07)**
C) Cash flows from Financing Activities			
Proceeds/ (repayment) from or of Long-term borrowings	(99.43)	688.01	(1.59)
Proceeds / (repayment) from or of Short-term borrowings	242.44	(229.51)	43.66
Prinicpal payment of lease liability	(29.72)	(40.05)	(52.28)
Interest paid	(369.18)	(375.80)	(357.59)
Net Cash generated from/(used in) Financing Activities	**(255.90)**	**42.65**	**(367.80)**
Net change in cash and cash equivalents (A + B + C)	**(153.30)**	**36.66**	**(93.84)**
Cash and Cash equivalents at the beginning of the year	217.23	180.56	274.40
Cash and Cash equivalents at the end of the year	**63.92**	**217.23**	**180.56**

GENERAL INFORMATION

Our Company was incorporated as a private limited company under the provisions of the Companies Act, 1956 on March 13, 1989 as "*Hotel Anant Private Limited"*. The name of Company was changed to "*Hotel Anant Limited*" vide Certificate of incorporation dated March 09, 1998 issued by the Registrar of Companies, Andhra Pradesh on account of the Company becoming a deemed public company. The name of our Company was changed to "Hotel Anant Private Limited" vide Certificate of incorporation dated September 13, 2002 issued by the Registrar of Companies, Andhra Pradesh to our Company regaining its status as a private limited company. Pursuant to the Memorandum of Understanding dated August 29, 2001, 64,500 equity shares of Hotel Anant Private Limited comprising of the 100% shareholding were duly acquired by Manoj Kumar Grandhi (HUF) (now known as Grandhi Bharata Mallika Ratna Kumari (HUF)) and Bharata Mallika Ratna Kumari Grandhi. The name of our Company was subsequently changed to "*Vaibhav Empire Private Limited*" and a fresh certificate of incorporation was issued by the Registrar of Companies, Andhra Pradesh on June 11, 2003. The name of our Company was again subsequently changed to "*Manoj Vaibhav Gems 'N' Jewellers Private Limited*" and a fresh certificate of incorporation was issued by the Registrar of Companies, Hyderabad, Telangana on July 4, 2016. Subsequently, a special resolution was passed by our shareholders on April 30, 2022 for conversion to a public limited company. Our Company has received a fresh Certificate of Incorporation upon Conversion from Private Limited Company to Public Limited Company on May 13, 2022 by the Registrar of Companies, Andhra Pradesh in the name of "*Manoj Vaibhav Gems 'N' Jewellers Limited. For details in relation to change in the address of the registered office of our Company, see "History and Certain Corporate Matters– Change in the Registered Office" on page* 192.

Corporate Identity Number: U55101AP1989PLC009734

Registration Number: 009734

Registered and Corporate Office

The address and certain other details of our Registered and Corporate Office are as follows:

Registered office Address:

47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road,
Dwarakanagar, Visakhapatnam - 530016,
Andhra Pradesh, India.
Tel: + (91) 089 1663 7777

Corporate office address:

D.No.47-10-19, 2nd Lane, Dwarakanagar,
Visakhapatnam, Andhra Pradesh – 530 016, India

For details of the changes in our Registered Office, see "*History and Certain Corporate Matters - Change in the Registered Office*" at page 192.

Address of the RoC

Our Company is registered with the Registrar of Companies, Vijayawada, Andhra Pradesh, situated at the following address:

Registrar of Companies, Vijayawada
29-7-33, First Floor, Vishnuvardhanarao Street,
Suryaraopet, Vijayawada -520002, Andhra Pradesh.

Our Board of Directors

Our Board of Directors comprises the following Directors as on the date of filing of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Bharata Mallika Ratna Kumari	Chairperson & Managing	00492520	7-5-165/1, Ocean View Layout,

Name	Designation	DIN	Address
Grandhi	Director		Pandurangapuram, Vishakhapatnam – 530003, Andhra Pradesh, India.
Grandhi Sai Keerthana	Whole-Time Director and CFO	05211918	7-5-165/1, Ocean View Layout, Pandurangapuram, Vishakhapatnam – 530003, Andhra Pradesh, India.
Grandhi Sai Sindhuri	Executive Director	02795856	7-5-165/1, Ocean View Layout, Pandurangapuram, Vishakhapatnam – 530003, Andhra Pradesh, India.
Adabala Seshagiri Rao	Independent Director	09608973	Flat No. 101 Block C, – Srigda Kalakriti Apartments, Gokul Nagar, Tarnaka, Secunderabad, Lallaguda, Secunderabad, Hyderabad – 500017, Telangana, India
Ramesh Babu Nemani	Independent Director	08089820	6-3-609/96/A, 1st Floor, Radha Soami Satsang Ghar, Anand Nagar Colony, Khairatabad, Hyderabad, Telangana – 500004
Sridevi Dasari	Independent Director	07512095	7-1-78/8, and 9 Flat no.302, Kakarla house, Ameerpet, Dharam Karam Road, secunderabad, Hyderabad, Telangana – 500016.

For further details of our Board of Directors, see "*Our Management – Board of Directors*" on page 202.

Company Secretary and Compliance Officer

Bandari Shiva Krishna is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Bandari Shiva Krishna
D.No.47-10-19, 2nd Lane, Dwarakanagar,
Visakhapatnam, Andhra Pradesh– 530 016, India
Tel: + (91) 089 1663 7777
E-mail: cs@vaibhavjewellers.com
Investor Grievance E-mail: investor@vaibhavjewellers.com
Website: www.vaibhavjewellers.com

Investor Grievances

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer-related grievances including 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 or other means. For all Offer related-queries and for redressal of complaints, investors may also write to the BRLMs.

All Offer-related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) 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, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Retail Individual Investors 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(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

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 respective BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

Book Running Lead Managers

Bajaj Capital Limited
Mezzanine Floor, Bajaj House, 97,
Nehru Place, New Delhi -110019, India
Tel: +(91) 11 4169 3000
E-mail: info@bajajcapital.com
Website: www.bajajcapital.com
Investor grievance e-mail: info@bajajcapital.com
Contact person: P. Balraj
SEBI Registration No: INM000010544

Elara Capital (India) Private Limited
One International Center, Tower 3, 21st Floor
Senapati Bapat Marg, Elphinstone Road
Mumbai 400013, India
Tel: +(91) 22 6164 8599
E-mail: vaibhav.ipo@elaracapital.com
Website: www.elaracapital.com
Investor grievance e-mail: mb.investorgrievances@elaracapital.com
Contact person: Namrata Ravasia
SEBI Registration No: INM000011104

Inter-se allocation of responsibilities of the Book Running Lead Managers

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	Bajaj Capital, Elara	Bajaj Capital
2.	Due diligence of Company including its operations / management / business plans / legal etc., Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus, Offer Agreement, and Underwriting Agreements and RoC filing	Bajaj Capital, Elara	Bajaj Capital
3.	Drafting and approval of all statutory advertisements	Bajaj Capital, Elara	Bajaj Capital
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 3 above, including corporate advertising and brochures and filing of media compliance report with SEBI.	Bajaj Capital, Elara	Elara
5.	Appointment of Registrar and Ad agency, including coordination of all agreements to be entered into with such intermediaries	Bajaj Capital, Elara	Bajaj Capital
6.	Appointment of all other intermediaries including Printer, Sponsor Bank, Banker (s) to the Offer, Syndicate, Monitoring Agency, etc. (including coordination of all agreements)	Bajaj Capital, Elara	Bajaj Capital
7.	Preparation of road show presentation and FAQs for the road show team	Bajaj Capital, Elara	Elara
8.	Domestic and International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalising the list and division of international investors for one-to-one meetings • Finalising international road shows and investor meeting schedules	Bajaj Capital, Elara	Elara
9.	Conduct non-institutional marketing of the Offer	Bajaj Capital, Elara	Bajaj Capital
10.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget • Finalising collection centres • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	Bajaj Capital, Elara	Bajaj Capital
11.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading, 1% security deposit.	Bajaj Capital, Elara	Elara
12.	Managing the book and finalization of pricing in consultation with Company and Selling Shareholder	Bajaj Capital, Elara	Elara
13.	Post-Offer activities – managing Anchor book related activities and submission of letters to regulators post completion of anchor allocation, management of escrow accounts, finalisation of the basis of allotment based on technical rejections, post Offer stationery and preparation of CAN for Anchor Investors, essential follow-up steps including follow-up with bankers to the Offer and Self Certified Syndicate Banks and coordination with various agencies connected with the post-offer activity such as registrar to the offer, bankers to the	Bajaj Capital, Elara	Bajaj Capital

Sr. No	Activity	Responsibility	Co-ordinator
	offer, Self-Certified Syndicate Banks etc. listing of instruments, demat credit and refunds/ unblocking of funds, announcement of allocation and dispatch of refunds to Bidders, etc., payment of the applicable STT on behalf the Selling Shareholder, coordination for investor complaints related to the Offer, submission of final post issue report and coordination with SEBI and Stock Exchanges for refund of 1% security deposit.		

Syndicate Members

[●]

Legal Counsel to the Offer

ALMT Legal
2, Lavelle Road
Bangalore 560 001
Tel: +(91) 80 4016 0000

Statutory Auditors to our Company

Sagar & Associates, Chartered Accountants
6-3-244/5, Sarada Devi Street
Prem Nagar,
Hyderabad, Telangana, 500004.
Email: sagarandassociates@yahoo.co.in
Tel: +91 40-2300 3371, 2339 5588
ICAI Firm registration number: 003510S
Peer review number: 011975

Changes in the auditors

The changes in our statutory auditors in the three years immediately preceding the date of this Draft Red Herring Prospectus are as follows

Sr. No.	Name of the Auditor and address	Date of Change	Reason of Change
1.	**KKS Swamy** Charterted Accountant Door No: 4-6-1/1 Sri Nilayam, Agraharam Eluru, West Godavari - 534001 Andhra Pradesh **E-mail:** kotaksswany@gmail.com **Tel**: 08812-231667 **Membership No**: 022067 **Peer review number:** NA	October 16, 2021	Resignation as the statutory auditors of our Company, due to not holding peer review certificate.
2.	**M/s Sagar & Associates** Charterted Accountants 6-3-244/5, Sarada Devi street Prem Nagar, Hyderabad, 500004 Telangana. **Email**: sagarandassociates@yahoo.co.in **Tel**: 040-2300 3371, 2339 5588 **ICAI Firm registration number**: 003510S	November 30, 2021	Appointment as statutory auditor

	Peer review certificate number: 011975		

Registrar to the Offer

Bigshare Services Private Limited
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093, India
Tel: +91 22 6263 8200
Facsimile: +91 22 6263 8280
Email: ipo@bigshareonline.com
Investor grievance email: investor@bigshareonline.com
Contact Person: Mr. Jibu John
Website: www.bigshareonline.com
SEBI Registration Number: INR000001385
CIN: U99999MH1994PTC076534U6

Banker(s) to the Offer

Escrow Collection Bank

[●]

Public Offer Bank

[●]

Refund Bank

[●]

Sponsor Bank

[●]

Banker(s) to our Company

State Bank of India
Commercial Branch,
43-29-54/8,
Balaji Metro Chambers,
Dondaparthy, Visakhaptnam - 530 016
Andhra Pradesh
Tel: +91 891 2555553
Email: sbi.14407@sbi.co.in
Contact Person: B. Manmadha Rao
Website: www.onlinesbi.com

Union Bank of India
Dwarakanagar branch, Door No 47-11-7,
Waltair Station Road
Visakhapatnam – 530016
Andhra Pradesh
Tel: + 91 891 2546753
Email: ubin0801062@unionbankofindia.bank
Contact Person: P Sangeetha Kumari

Website: www.unionbankofindia.co.in

HDFC Bank Limited
Bank House, First Floor
D.No.50-52-15/23, MIG 1,
Near Krishna Mandir,
Seethammadhara North Extension,
Visakhapatnam, Andhra Pradesh, 530 013
Tel: + 91 22 5652 1000
Email: sudhakar.vanjangi@hdfcbank.com
Contact Person: V. Sudhakar
Website: www.hdfcbank.com

Axis Bank Limited
Plot No. 94/1, Gopal Plaza, Sector-1
Double Road, MVP Colony
Visakhapatnam - 530 017
Andhra Pradesh
Tel: + 91 79 2640 9322
Email: santhoshkumar.saragada@axisbank.com
Contact Person: S. Santhosh Kumar
Website: www.axisbank.com

Canara Bank
Door No. 9-29-15/7,1st Floor
Padmavathi Towers, Balaji Nagar
Siripuram, Visakhapatnam - 530003
Andhra Pradesh
Tel: + 91 83310 15733
Email: cb3655@canarabank.com
Contact Person: Naveen
Website: www.canarabank.com

The Federal Bank Limited
Door No.8-2-293/82/564/A-43,
Prasanthi Towers, Road No. 92,
Jubilee Hills, Hyderabad - 500034
Telangana
Tel: + 91 0891 2564693
Email: satishveera@federalbank.co.in
Contact Person: Satish Veera
Website: www.federalbank.co.in

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, 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 Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) 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 on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor and RIBs) 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 (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any other website 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 (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) as updated from time to time or any other website prescribed by SEBI from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors and RIBs using the UPI Mechanism) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35. The list comprising the details of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the Stock Exchanges, i.e. through the Registered Brokers at the Broker Centres. 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 websites of the Stock Exchanges at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

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 websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm respectively, or such other websites 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 websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts

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

Our Company has received written consent dated September 03,, 2022 from Sagar & Associates, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) Restated Financial Information and their examination report dated August 22, 2022 relating to the Restated Financial Information; and (ii) their statement of special tax benefits dated August 22, 2022 included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated August 22, 2022 from G.Sekhar Reddy, Chartered Engineer, to include his name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in his capacity as the chartered engineer in respect of information certified by him, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Monitoring Agency

Our Company will appoint a a credit rating agency registered with SEBI as a monitoring agency to monitor utilization of the Gross Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations.

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution or any other agency.

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

IPO Grading

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

Debenture Trustees

As this is an offer of Equity Shares, no debenture trustee has been appointed for the Offer.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically on the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with the SEBI circular bearing reference 73 SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and has been emailed to the SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure –Division of Issues and Listing –CFD."

A copy of the Red Herring Prospectus, along with the material documents and contracts required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, will be filed with the RoC situated at Registrar of Companies, Andhra Pradesh at Vijayawada, and through the electronic portal at http://www.mca.gov.in.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms (and the Revision Forms) within the Price Band, which will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and if not disclosed in the Red Herring Prospectus, will be advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and all editions of [●], a Telugu newspaper (Telugu being the regional language of Andhra Pradesh, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs after the Bid/Offer Closing Date. For further details, see "*Offer Procedure*" on page 353.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Non-Institutional Bidders with an application size of up to ₹ 500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders 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 (subject to the Bid Amount being up to ₹ 200,000) can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis, while allocation to QIBs (other than Anchor Investors) will be on a proportionate basis.

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and Bidders are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Bidders should note that the Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details on the method and procedure for Bidding, see "*Offer Structure*" and "*Offer Procedure*" on pages 348 and 353, respectively.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Terms of the Offer*" and "*Offer Procedure"* on pages 343 and 353, respectively.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Promoter Selling Shareholder will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount Underwritten (In ₹ million)
[●]	[●]	[●]

The above mentioned amounts are provided for indicative purposes only and would be finalised after the pricing and actual allocation and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/ IPO Committee, will at its meeting accept and enter into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation amongst the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below.

(In ₹, except share data)

Sr. No.	Particulars	Aggregate value at face value (₹)	Aggregate value at Offer Price*
A.	**AUTHORIZED SHARE CAPITAL** (1)		
	55,000,000 Equity Shares of ₹ 10 each	550,000,000	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	39,080,000 Equity Shares of ₹ 10 each	390,800,000	-
D.	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of up to [●] Equity Shares (2) (3)	[●]	
	Of which		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2100.00 million#	[●]	
	Offer for Sale of up to 4,300,000 Equity Shares by the Promoter Selling Shareholder aggregating up to ₹ [●] million	[●]	
E.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER***		
	[●] Equity Shares of ₹ 10 each	[●]	-
F.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	Nil	[●]
	After the Offer	[●]	[●]

**To be included upon finalisation of Offer Price*

 # Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement of such number of securities for cash consideration aggregating up to ₹ 400.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

(1) *For details in relation to changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page* 192.

(2) *The Fresh Issue (including the Pre-IPO) has been authorized by our Board of Directors pursuant to the resolution passed at their meeting dated August 22, 2022 and our Shareholders at their meeting dated August 22, 2022.*

(3) *The Promoter Selling Shareholder has consented to participate in the Offer for Sale pursuant to its consent letter, dated August 22, 2022. For further details of authorizations received for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 334.*

Notes to the Capital Structure

1. **Share Capital History of our Company**

a. History of Equity Share capital

The following table sets forth the history of the Equity Share capital of our Company:

Date of Allotment	Name of Allottees	Reason for Allotment	No. of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue price per equity share (₹)	Nature Of consideration
March 13, 1989	Allotment of 100 Equity Shares to Karri Suryanarayana and 100 Equity Shares to Karri Kanakaratnam	Initial Subscription	200	100	100	Cash
June 1, 1990	Allotment of 8700 Equity Shares to Karri Suryanarayana, 6250 Equity Shares to Karri Kanakaratnam, 1500 Equity Shares to Karri Bangaramma, 500 Equity Shares to B. Umamahaeshwari, 500 Equity Shares to Karri Vijayakumari, 500 Equity Shares to Lanka Satyavati, 500 Equity Shares to Mahaptruni Satyavati, 400 Equity Shares to Lanka Chittamma, 200 Equity Shares to Ramdas Satyanarayana, 300 Equity Shares to D. Suryanarayana, 2000 Equity Shares to Karri Venkata Siva Prasad, 1900 Equity Shares to Karri Narasinga Rao and 50 Equity Shares to Karri Manikyalu Rao	Further Issue	23,300	100	100	Cash
October 25, 1990	Allotment of 2400 Equity Shares to K.V.S. Prasad, 2400 Equity Shares to K. Narasinga Rao, 900 Equity Shares to R. Jagadeswari, 700 Equity Shares to K. Suryanarayana and 600 Equity Shares to K. Nagabhusan Rao.	Further Issue	7000	100	100	Cash
January 1, 1991	Allotment of 3000 Equity Shares to K.V.S. Prasad and 3000 Equity Shares to K. Narasinga Rao.	Further Issue	6000	100	100	Cash
September 25, 1991	Allotment of 2800 Equity Shares to R. Jagadeswari and 700 Equity Shares to K. Kanakaratam	Further Issue	3500	100	100	Cash
March 9, 1998	Allotment of 24,500 Equity Shares to Pramada Finvest Limited	Rights Issue (5 shares were allotted for every 2 shares held)	24,500	100	100	Cash
Pursuant to the Memorandum of Understanding dated August 29, 2001, Hotel Anant Private Limited was taken over by Manoj Kumar Grandhi (HUF) and Bharata Mallika Ratna Kumari Grandhi. Accordingly, 64,500 equity shares of Hotel Anant Private Limited consisting of 100% of the shareholding was acquired by Manoj Kumar Grandhi (HUF) (38,700 Equity shares) and Bharata Mallika Ratna Kumari Grandhi (25,800 Equity shares) on October 23, 2001.						

March 28, 2002	Allotment of 51,300 Equity Shares to Manoj Kumar Grandhi (HUF) and 34,200 Equity Shares to Bharata Mallika Ratna Kumari Grandhi.	Further Issue	85,500	100	100	Cash
February 26, 2008	Allotment of 114,000 Equity Shares to Manoj Kumar Grandhi (HUF) and 76,000 Equity Shares to Bharata Mallika Ratna Kumari Grandhi was undertaken pursuant to share application money pending allotment in the books of the Company*	Further Issue	190,000	100	100	Other than Cash
March 21, 2009	Allotment of 115,200 Equity Shares to Manoj Kumar Grandhi (HUF) and 800 Equity Shares to Bharata Mallika Ratna Kumari Grandhi was undertaken pursuant to share application money pending allotment in the books of the Company.	Further Issue	116,000	100	100	Cash
March 30, 2009	Allotment of 280,000 Equity Shares to Manoj Kumar Grandhi (HUF) pursuant to Business Agreement dated March 31, 2009 **	Further Issue	280,000	100	500	Other than Cash
March 31, 2010	Allotment of 50,000 Equity Shares to Harshil Enterprises (India) Private Limited (formerly known as Rugbystar Suppliers Private Limited).	Fresh Issue	50,000	100	600	Cash
February 15, 2011	Allotment of 30,500 Equity Shares to Harshil Enterprises (India) Private Limited (formerly known as Rugbystar Suppliers Private Limited).	Further Issue	30,500	100	850	Cash
March 31, 2011	Allotment of 134,560 Equity Shares to Manoj Kumar Grandhi (HUF) (now known as Grandhi Bharata Mallika Ratna Kumari (HUF)).	Further Issue	134,560	100	850	Cash
March 31, 2012	Allotment of 25,940 Equity Shares to Harshil Enterprises (India) Private Limited (formerly known as Rugbystar Suppliers Private Limited).	Further Issue	25,940	100	850	Cash
Pursuant to a resolution of our Board dated March 26, 2013 and Shareholders' resolution dated March 31, 2013, equity shares of face value of ₹ 100 each of our Company were sub-divided into equity shares of face value of ₹ 10 each. Consequently, the issued and subscribed share capital of our Company comprising 9,77,000 equity shares of face value of ₹ 100 each was sub-divided into 9,770,000 equity shares of face value of ₹ 10 each						
August 12, 2022	Bonus Issuance of Equity Shares in the ratio of 3:1 authorised by resolution of our Board of Directors on August 02, 2022 and a resolution of our Shareholders dated August 10, 2022. Allotment of 22,012,800 Equity Shares to Grandhi Bharata Mallika Ratna Kumari (HUF), Allotment of 4,014,000 Equity Shares to Bharata Mallika Ratna	Bonus Issue	29,310,000	10	--	Other than Cash

	Kumari Grandhi, Allotment of 30,000 Equity Shares to Grandhi Sai Keerthana, Allotment of 3,193,200 Equity Shares to Harshil Enterprises (India) Private Limited, Allotment of 30,000 Equity Shares to Grandhi Durga Krishna Sai Sarayu, Allotment of 15,000 Equity Shares to Grandhi Sai Sindhuri and Allotment of 15,000 Equity Shares to Chaluvadi Maruthi Venkatesh					

** Pursuant to Deed of Acquisition dated April 24, 2004, the jewellery business of M/s Vaibhav Jewellers, a proprietary business of Manoj Kumar Grandhi (HUF), including all the assets and liabilities of Vaibhav Jewellers, was acquired by our Company at Book value as a going concern with effect from April 24, 2004. The Deed of Acquisition provided that the acquisition value of the business was agreed to be Rs, 1,92,90,000/- and that the Company shall issue equity shares towards the purchase the consideration. Upon completion of the acquisition, the amount attributable towards the acquisition consideration was reflected as Share Application Money pending allotment to Manoj Kumar Grandhi HUF in the books of the Company. Subsequently, on February 26, 2008, the Company allotted shares to Manoj Kumar Grandhi HUF and Bharata Mallika Ratna Kumari manner stated above. The forms filed with the Registrar of Companies in respect of the equity share allotments dated February 26, 2008 reflect that the consideration for such issuance as being cash. #*

*** Pursuant to a Business Agreement dated March 31, 2009, the 'Purchase Advanced Scheme' being a sundry creditor in the books of the Company, was transferred to Manoj Kumar Grandhi (HUF). The book value of the advances outstanding in the books of the Company, as on March 31, 2009 was Rs. 17.31 Crore which was agreed to be taken over by Vaibhav Jewellers. It was agreed that in consideration of Manoj Kumar Grandhi HUF taking over the liabilities of the Company, the Company would issue equity shares in favour of Manoj Kumar Grandhi HUF. Accordingly, on March 30, 2009, 280,000 Equity Shares of face value Rs. 100 were issued and allotted to Manoj Kumar Grandhi (HUF) at a price of Rs. 500 per share (including a premium of Rs. 400 per share), aggregating to Rs. 14.00 crores. The forms filed with the Registrar of Companies in respect of the equity share allotments dated March 30, 2009 reflect that the consideration for such issuance as being cash. #*

With regard to the share allotments dated February 26, 2008 and March 30, 2009, the Company, out of abundant caution, submitted a compounding application dated August 24, 2022 before the Regional Director, South East Region at Hyderabad (the "**Compounding Application**") seeking inter alia, that (i) a contravention, if any, of Section 297 of the Companies Act, 1956, be compounded; (ii) a minimum consolidated composition amount be imposed upon the Company; (iii) the Company be relieved of all the legal consequences with the deposit of compounding amount to the Central Government; (iv) The Registrar of Companies, Andhra Pradesh, be directed not to take any penal action against the Company. Pursuant to hearing the authorised representative of the Company and taking into consideration the report of the Registrar of Companies, Andhra Pradesh, the Regional Director, South East Region at Hyderabad has, by way of an order dated September 02, 2022 disposed of the Compounding Application by levying a compounding fee of Rs. 10,000 (Rupees Ten Thousand only) on the Company and Rs. 10,000 (Rupees Ten Thousand only) on the Director, for the offence committed under section 297 of the Companies Act, 1956.

b. Equity Shares issued for consideration other than cash or out of revaluation of reserves or through Bonus Issue:

Except as detailed below, our Company has not issued any Equity Shares for consideration other than cash issue since incorporation:

Date of allotment	Number of Shares allotted	Face value per Share (₹)	Issue price per Share (₹)	Nature of Allotment	Nature of consideration	Reasons for allotment	Name of the Allottee

February 26, 2008	190,000	100	100	Allotment pursuant to business acquisition	Other than Cash	Pursuant to Deed of Acquisition dated April 24, 2004 the jewellery business of M/s Vaibhav Jewellers (a proprietary business of Manoj Kumar Grandhi (HUF)) was acquired by the Company. In accordance to the same share application money was pending for allotment in the books of the Company from April 24, 2004 and the same was allotted.	Manoj Kumar Grandhi (HUF) and Bharata Mallika Ratna Kumari Grandhi
March 30, 2009	280,000	100	500	Allotment pursuant to business acquisition	Other than Cash	Pursuant to the Business Agreement dated March 31, 2009, the 'Purchase Advance Scheme' being one of the Sundry Creditor was transferred to Manoj Kumar Grandhi (HUF) and accordingly 280,000 Equity Shares was allotted to Manoj Kumar Grandhi (HUF) against the transfer.	Manoj Kumar Grandhi (HUF)
August 12, 2022	29,310,000	10	--	Bonus Issue	Other than Cash	Bonus issue in the ratio of 3 Equity Shares for every 1 Equity Share held.	Grandhi Bharata Mallika Ratna Kumari (HUF), Bharata Mallika Ratna Kumari Grandhi, Grandhi Sai Keerthana, Harshil Enterprises (India) Private Limited, Grandhi Durga Krishna Sai Sarayu, Grandhi Sai Sindhuri and Chaluvadi Maruthi Venkatesh

2. Our Company does not have any employee stock option schemes as on the date of this Draft Red Herring Prospectus**.**

3. **Offer of Equity Shares Pursuant to Schemes of Arrangement**

   Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

4. **Issue of securities at a price lower than the Issue Price in the one year preceding the date of this Draft Red Herring Prospectus**

   Except for the allotment of 29,310,000 Equity Shares pursuant to a bonus issue to all the Shareholders, as decided by our Board pursuant to a resolution dated August 10, 2022 and our Shareholders pursuant to its resolution dated August 10, 2022, our Company has not issued any equity shares at a price which is lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

   For details, see "*Notes to Capital Structure – Equity Share capital history of our Company*" on page 80,

5. **History of build-up, Promoters' contribution and lock-in of Promoters' shareholding**

a. ***Build-up of the shareholding of our Promoters in our Company***

As on the date of this Draft Red Herring Prospectus, our Promoters, along with our Promoter Group hold 39,080,000 Equity Shares, equivalent to 100% of the issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below along with details of the Equity Shares held by members of the Promoter Group

The details regarding the shareholding of our Promoters since incorporation of our Company is set forth in the table below.

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Transfer price per Equity Share (₹)	% of pre-Offer capital on a fully diluted basis	% of post-Offer capital
Grandhi Bharata Mallika Ratna Kumari (HUF) *(Earlier known as Manoj Kumar Grandhi (HUF) and subsequently changed to Grandhi Bharata Mallika Ratna Kumari (HUF) on July 16, 2015)*							
October 23, 2001	Acquisition of Shares by way of Memorandum of Understanding	38,700	Cash	100	100	0.99	[●]
March 28, 2002	Further Issue	51,300	Cash	100	100	1.31	[●]
February 26, 2008	Further Issue	114,000	Other than Cash	100	100	2.92	[●]
March 21, 2009	Further Issue	115,200	Cash	100	100	2.95	[●]
March 30, 2009	Further Issue	280,000	Other than Cash	100	500	7.16	[●]
March 31, 2011	Further issue	134,560	Cash	100	850	3.44	[●]
Pursuant to a resolution of our Board dated March 26, 2013 and Shareholders' resolution dated March 31, 2013, equity shares of face value of ₹ 100 each of our Company were sub-divided into equity shares of face value of ₹ 10 each and accordingly, 733,760 equity shares of our Company of face value ₹100 each held by Grandhi Bharata Mallika Ratna Kumar (HUF) were split into 7,337,600 Equity Shares							
August 12, 2022	Bonus Issue	22,012,800	Other than Cash	10	--	56.33	[●]
Total		**29,350,400**				**75.10**	
Bharata Mallika Ratna Kumari Grandhi							
October 23, 2001	Transfer of Shares by way of Memorandum of Understanding	25,800	Cash	100	100	0.66	[●]
March 28, 2002	Further issue	34,200	Cash	100	100	0.88	[●]
February 26, 2008	Further issue	76,000	Other than Cash	100	100	1.94	[●]
March 21, 2009	Further issue	800	Cash	100	100	Negligible	[●]
Pursuant to a resolution of our Board dated March 26, 2013 and Shareholders' resolution dated March 31, 2013, equity shares of face value of ₹ 100 each of our Company were sub-divided into equity shares of face value of ₹ 10 each and accordingly, 136,800 equity shares of our Company of face value ₹100 each held by Bharata Mallika Ratna Kumar Grandhi were split into 1,368,000 Equity Shares.							
July 18, 2017	Transfer of Shares to Grandhi Sai	(10,000)	NA	10	-	Negligible	[●]

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Transfer price per Equity Share (₹)	% of pre-Offer capital on a fully diluted basis	% of post-Offer capital
	Keerthana by way of gift.						
July 18, 2017	Transfer of Shares to Grandhi Durga Krishna Sai Sarayu by way of gift.	(10,000)	NA	10	-	Negligible	[●]
July 18, 2017	Transfer of Shares to Grandhi Sai Sindhuri by way of gift.	(5,000)	NA	10	-	Negligible	[●]
July 18, 2017	Transfer of Shares to Chaluvadi Maruthi Venkatesh by way of gift.	(5,000)	NA	10	-	Negligible	[●]
August 12, 2022	Bonus Issue	4,014,000	Other than Cash	10	--	10.27	[●]
Total		**5,352,000**				**13.70**	[●]
Grandhi Sai Keerthana							
July 18, 2017	Transfer of Shares from Bharata Mallika Ratna Kumari Grandhi by way of gift.	10,000	NA	10	-	Negligible	[●]
August 12, 2022	Bonus Issue	30,000	Other than Cash	10	--	Negligible	[●]
Total		**40,000**					[●]

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition, as applicable, of such Equity Shares.

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged or otherwise encumbered

None of the members of the Promoter Group, the Promoters, or the Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

b. Shareholding of our Promoters and Promoter Group

Set forth below is the shareholding of our Promoters and members of the Promoter Group as on the date of this Draft Red Herring Prospectus.

S No.	Name of shareholder	Number of Equity Shares	% of the pre-Offer capital
Promoters			
1.	Grandhi Bharata Mallika Ratna Kumari (HUF)	29,350,400	75.10
2.	Bharata Mallika Ratna Kumari Grandhi	5,352,000	13.70
3.	Grandhi Sai Keerthana	40,000	0.10
Sub total (A)		**34,742,400**	**88.90**
Promoter Group			
1.	Harshil Enterprises (India) Private Limited	4,257,600	10.90
2.	Grandhi Durga Krishna Sai Sarayu	40,000	0.10
3.	Grandhi Sai Sindhuri	20,000	0.05
4.	Chaluvadi Maruthi Venkatesh	20,000	0.05
Sub total (B)		**4,337,600**	**11.10**
Total Promoters & Promoter Group (A+B)		**39,080,000**	**100.00**

c. Details of Promoter's contribution and lock-in for 18 months

(i) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the post-Offer Equity Share capital of our Company held by our Promoters shall be locked in for a period of 18 months as minimum promoter's contribution from the date of Allotment in the Offer ("**Minimum Promoter's Contribution**") and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment, as a majority of the Net Proceeds are not proposed to be utilized for capital expenditure. Under Regulation 16 of the SEBI ICDR Regulations, "capital expenditure" includes civil work, miscellaneous fixed assets, purchase of land, building and plant and machinery, etc. For details of objects of the Offer, see "Objects of the Offer" beginning on page 92.

Our Promoters have given consent to include such number of Equity Shares held by them as may, constitute 20% of the post-Offer Equity Share capital of our Company as Minimum Promoter's Contribution and has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing this Draft 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.

(ii) Details of the Equity Shares to be locked-in for 18 months from the date of Allotment in the Offer as Minimum Promoter's Contribution are set forth in the table below:

Name of the Promoter	Number of Equity Shares locked-in**	Date of allotment/ transfer of Equity Shares*	Nature of transaction	Face Value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
Grandhi Bharata Mallika Ratna Kumari (HUF)	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	**[●]**					[●]	[●]	[●]

**Equity Shares allotted / transferred to our Promoters were fully paid-up at the time of allotment / transfer.*

***Subject to finalization of Basis of Allotment.*

Note: The above details shall be filled in the Prospectus to be filed with the RoC.

(iii) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be, ineligible for computation of Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, our Company confirms the following:

(a) The Equity Shares offered for Promoter's Contribution do not include Equity Shares acquired during the three immediately preceding years (i) for consideration other than cash, and revaluation of assets or capitalisation of intangible assets, (ii) pursuant to a bonus issue out of revaluation reserves or unrealised profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of Promoter's Contribution;

(b) The Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(c) Our Company has not been formed by the conversion of one or more partnership firms 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 Draft Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm;

(d) The Equity Shares forming part of the Promoter's Contribution are not subject to any pledge; and

(e) All the Equity Shares held by our Promoters are in dematerialised form.

d. Details of Equity Shares locked-in for six months

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked-in for eighteen months as prescribed under the SEBI ICDR Regulations as specified above, in terms of Regulation 16(b) and Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations, except for (i) the Equity Shares transferred pursuant to the Offer for Sale; (ii) any Equity Shares allotted to the employees of our Company, whether currently employees or not and including the legal heirs or nominees of any deceased employees or ex-employees, under any ESOP scheme prior to the Offer; and (iii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI, as applicable, provided that such Equity Shares shall be locked in for a period of at least one year from the date of purchase by such shareholders. Further, any unsold portion of the Equity Shares offered pursuant to the Offer for Sale will be locked-in as required under the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters, which are locked-in may be transferred to and amongst the members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

The Equity Shares held by the Promoters which are locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations may be pledged only with scheduled commercial banks or public financial institutions or Systemically Important NBFCs or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or Systemically Important NBFCs or housing finance companies in terms of Regulation 21 of the SEBI ICDR Regulations.

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 the Equity Shares till the relevant lock in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters and locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

e. Lock-in of Equity Shares Allotted to Anchor Investors

50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

Other requirements in respect of lock-in

(i) As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

(ii) Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, 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 for six months 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 as Promoter's Contribution for 18 months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

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.

(iii) In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters 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 Takeover Regulations, as applicable, and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

(iv) Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of six months in accordance with Regulation 16 of the SEBI ICDR Regulations, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the SEBI Takeover Regulations, as applicable, such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

6. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B + C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	**Promoter and Promoter Group**	7	39,080,000	0	0	390,800,000	100.00	39,080,000	0	39,080,000	100.00	0	100.00		0	0	0	39,080,000
(B)	**Public**	0	0	0	0	0	0	0	0	0	0	0	0		0		0	0
(C)	**Non Promoter- Non Public**	0	0	0	0	0	0	0	0	0	0	0	0		0		0	0
(C1)	**Shares underlying depository receipts**	0	0	0	0	0	0	0	0	0	0	0	0		0		0	0
(C2)	**Shares held by employee trusts**	0	0	0	0	0	0	0	0	0	0	0	0		0		0	0
	Total	7	**39,080,000**	**0**	**0**	**390,800,000**	**100.00**	**39,080,000**	**0**	**39,080,000**	**100.00**	**0**	**100.00**		**0**	**0**	**0**	**39,080,000**

7. The BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The BRLMs and their respective affiliates may engage in 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 with our Company, for which they may in the future receive customary compensation.

8. Except for Bharata Mallika Ratna Kumari Grandhi, Grandhi Sai Keerthana and Grandhi Sai Sindhuri, none of our Directors or Key Managerial Personnel hold shares in our Company. For more details on shareholding, see "Capital Structure – Shareholding of our Promoter and Promoter Group" on page 86.

9. **Details of shareholding of the major Shareholders of our Company**

(a) As on the date of this Draft Red Herring Prospectus, our Company has seven equity shareholders.

(b) Set forth below are details of shareholders holding 1% or more of the pre-Offer paid-up Equity Share capital of our Company as on the date of filing of this Draft Red Herring Prospectus:

Name of Shareholder	Pre-Offer	
	No. of Equity Shares	% of Equity Share capital
Grandhi Bharata Mallika Ratna Kumari (HUF)	29,350,400	75.10
Bharata Mallika Ratna Kumari Grandhi	5,352,000	13.70
Harshil Enterprises (India) Private Limited	4,257,600	10.90

(c) Set forth below are details of shareholders holding 1% or more of the pre-Offer paid-up Equity Share capital of our Company as on 10 days prior to the date of filing of this Draft Red Herring Prospectus:

Name of Shareholder	Pre-Offer	
	No. of Equity Shares	% of Equity Share capital
Grandhi Bharata Mallika Ratna Kumari (HUF)	29,350,400	75.10
Bharata Mallika Ratna Kumari Grandhi	5,352,000	13.70
Harshil Enterprises (India) Private Limited	4,257,600	10.90

(d) Set forth below are details of shareholders holding 1% or more of the pre-Offer paid-up Equity Share capital of our Company as on the date one year prior to the date of filing of this Draft Red Herring Prospectus:

Name of Shareholder	Pre-Offer	
	No. of Equity Shares	% of Equity Share capital
Grandhi Bharata Mallika Ratna Kumari (HUF)	73,37,600	75.10
Bharata Mallika Ratna Kumari Grandhi	13,38,000	13.70
Harshil Enterprises (India) Private Limited	10,64,400	10.90

(e) Set forth below are details of shareholders holding 1% or more of the pre-Offer paid-up Equity Share capital of our Company as on the date two years prior to the date of filing of this Draft Red Herring Prospectus:

Name of Shareholder	Pre-Offer	
	No. of Equity Shares	% of Equity Share capital
Grandhi Bharata Mallika Ratna Kumari (HUF)	73,37,600	75.10
Bharata Mallika Ratna Kumari Grandhi	13,38,000	13.70
Harshil Enterprises (India) Private Limited	10,64,400	10.90

10. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, directors of our Corporate Promoter, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business of the financing entity during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

11. Our Company, Directors, and the BRLMs have not entered any buy-back arrangement for the purchase of Equity Shares of our Company.

12. Our Promoters, other members of our Promoter Group, directors of our Promoter, our Directors or our Directors' relatives have not purchased or sold any securities of our Company during the six months prior to the date of filing this Draft Red Herring Prospectus.

13. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

14. No person connected with the Offer, including but not limited to, our Company, the members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.

15. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters and other members of our Promoter Group are pledged or otherwise encumbered. Further, none of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered, as on the date of this Draft Red Herring Prospectus.

16. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

17. The Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment, failing which, no Allotment shall be made.

18. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.

19. Except for Pre-IPO Placement, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

20. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares. However, if our Company enters acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as consideration for acquisitions or participation in such joint ventures or other arrangements.

21. Except for any Equity Shares to be issued pursuant to the Fresh Issue, there is no proposal or intention, negotiations and consideration of our Company to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares. However, if our Company enters acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as consideration for acquisitions or participation in such joint ventures or other arrangements.

22. None of our Promoters and members of our Promoter Group will submit Bids or otherwise participate in the Offer except for the Offer for Sale by Promoter Selling Shareholder.

23. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and our Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus with the Registrar of Companies and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

24. Our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities since its incorporation.

OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue and an Offer for Sale by the Promoter Selling Shareholder. The proceeds of the Fresh Issue, after deducting Offer related expenses, are estimated to be ₹ [●] million (the "**Net Proceeds**").

Fresh Issue

The Net Proceeds from the Fresh Issue are proposed to be utilized towards the following objects:

1. To Finance Establishment of proposed 8 new showrooms, i.e.

    (a) Capital expenditure cost for the proposed eight (8) new showrooms,
    (b) Inventory cost for the proposed eight (8) new showrooms; and

2. General corporate purposes.

(collectively, referred to herein as the "**Objects**").

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enables us to (i) undertake our existing business activities; and (ii) to undertake activities proposed to be funded from the Net Proceeds.

Further, our Company expects to receive the benefits of listing of the Equity Shares, including to enhance our visibility and our brand image among our existing and potential customers as well as vendors and creation of a public market for our Equity Shares in India.

Offer for Sale

The Promoter Selling Shareholder will be entitled to the respective portion of the proceeds of the Offer for Sale after deducting its portion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Except for (i) listing fees and stamp duty payable on issue of Equity Shares pursuant to Fresh Issue which shall be borne solely by the Company, (ii) the stamp duty payable on transfer of Offered Shares shall be borne solely by the Promoter Selling Shareholder, our Company and the Promoter Selling Shareholder shall share the costs and expenses (including all applicable taxes in relation to such costs and expenses) directly attributable to the Offer (including fees and expenses of the BRLMs, legal counsel to the Company and the BRLMs and other intermediaries, advertising and marketing expenses (other than corporate advertisements expenses undertaken in the ordinary course of business by our Company), printing, underwriting commission, procurement commission (if any), brokerage and selling commission and payment of fees and charges to various regulators in relation to the Offer) in proportion to the number of Equity Shares issued and allotted by the Company through the Fresh Issue and sold by the Promoter Selling Shareholder through the Offer for Sale.

Fresh Issue

The details of the proceeds from Fresh Issue are set forth below:-

(*in ₹ million*)

Particulars	Amount^
Gross proceeds from the Fresh Issue#	2100.00*
(Less) Offer expenses in relation to the Fresh Issue to be borne by our Company #	[●]
Net Proceeds*	[●]

** To be finalised upon determination of the Offer Price and to be updated in the Prospectus prior to filing with the RoC.*

^ Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of such number of securities for cash consideration aggregating up to ₹ 400.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR

#All costs, fees and expenses relating to the Offer (other than the listing fees which will be borne by our Company) shall be shared amongst our Company and the Promoter Selling Shareholder on a pro rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Promoter Selling Shareholder in the Offer for Sale, upon successful completion of the Offer.

For details, please see the chapter entitled 'Objects of the Offer – Offer related expenses' on page 98

Utilisation of Net Proceeds and Schedule of Implementation and Deployment

The Net Proceeds are proposed to be utilised in accordance with schedule set forth below:

(In ₹ million)

Particulars	Amount which will be financed from Net Proceeds	Estimated deployment of Net Proceeds	
		Fiscal 2023	**Fiscal 2024**
To Finance Establishment of proposed eight (08) new showrooms;			
(a) Estimated capital expenditure cost for the proposed eight (8) new showrooms	120.00	30.00	90.00
(b) Estimated inventory cost for New Showrooms proposed to be opened	1600.08	400.00	1200.08
Sub-total (a+b)	**1720.08**	**430.00**	**1290.08**
General corporate purposes*	[●]	[●]	[●]
Total*	[●]	[●]	[●]

* *To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

** Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of such number of securities for cash consideration aggregating up to ₹ 400.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre- IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.*

Means of finance

We intend to completely finance the objects from the Net Proceeds of the issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance.

In the event of the estimated utilisation of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the objects during the respective periods stated above due to factors such as economic and business conditions, timely completion of the Issue, market conditions outside the control of our Company, and any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by us, in accordance with applicable laws.

The deployment of funds indicated above is based on internal management estimates, prevailing circumstances of our business, prevailing market conditions and other commercial factors, which are subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy, interest/ exchange rate fluctuations, fluctuations in the price of gold, silver, and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the deployment of funds from its planned deployment at the discretion of our management, subject to compliance with applicable law. For details see, *"Risk Factors – The objects of the Offer have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Any* *variation in the utilization of the Net Proceeds or in the terms of the conditions as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval."* and *"Risk Factors – Our management will have broad discretion over the use of the Net Proceeds"* on pages 41 and 48, respectively.

Our Company proposes to deploy the entire Net Proceeds towards the aforementioned objects during Fiscals 2023 and 2024. In the event, our Company is unable to utilise the Net Proceeds per the estimated schedule of deployment due to any reason, including, inter alia, (i) economic and business conditions; (ii) timely completion of the Offer; (iii) market conditions outside the control of our Company; and (iv) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent Fiscals as may be determined by our Company, in accordance with applicable laws.

In case of any surplus after utilisation of the Net Proceeds towards the aforementioned objects, we may use such surplus towards general corporate purposes, provided that the total amount to be utilised towards general corporate purposes does not exceed 25% of the gross proceeds of the Issue, in accordance with applicable law. Subject to applicable laws, in the event of any variations in the actual utilisation of funds earmarked towards the objects set forth above, any increased fund requirements for a particular object may be financed by surplus funds, if any, available in respect of the other objects for which funds are being raised pursuant to the Issue. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and/or other lenders, subject to compliance with applicable law. We believe that such alternate arrangements would be available to fund any such shortfalls.

Details of the Objects of the Fresh Issue

The details in relation to Objects of the Fresh Issue are set forth herein below:

1. To Finance Establishment of proposed 8 new showrooms

We, Vaibhav Jewellers, are a leading regional jewellery brand in South India. We are a hyperlocal jewellery retail chain with presence in the micro markets of Andhra Pradesh & Telangana with 13 showrooms (inclusive of two franchisee showrooms) across 8 towns and 2 cities. We have a market share of ~5% of the overall Andhra Pradesh and Telangana jewellery market and ~14% of the organised market in these two states in FY2021, as per the Technopak Report. We are one of the first organized jewellery chain from Andhra Pradesh to expand its presence to Telangana. We cater to all economic segments of the micro markets of Andhra Pradesh and Telangana through our dedicated branded retail showrooms and have a strong rural market focus. Rural market in the state of Andhra Pradesh and Telangana contributes 52-55% of the total jewellery market in FY 2021 in these two states *(Source: Technopak Report)*. We continue to focus on regional expansion into the high growth untapped regions within the micro-markets of Andhra Pradesh & Telangana thereby creating a market for branded jewellery in the area of our operations Further, our strategy is to expand in the untapped sections of the micro markets of Andhra Pradesh and Telangana therein focusing on Rural markets as well as Tier 2 and Tier 3 cities and develop those markets for organised jewellery sales. This will enable us to capture the demand and meet the taste of the population of both the states. We believe that our key focus on building a brand is by reaching out to newer customers, understand their requirement and deliver them the best of the products as per their requirements. Keeping this in mind, we intend to open 8 new showrooms across various Tier 2 and Tier 3 cities in Andhra Pradesh and Telangana.

Our Company proposes to deploy an amount of ₹ 1720.08 million towards the opening of 8 new retail showrooms proposed to be opened in FY23 and FY24. We would deploy ₹ 120 million towards capital expenditure for setting up 8 new retail showrooms and ₹ 1600.08 million towards funding of inventory of such new showrooms, on aggregate basis. Our Board by its resolution dated August 22, 2022 has approved the proposal to set up these new showrooms across Andhra Pradesh and Telangana.

For further details, see "*Our Business – Our Strategies*" on page 166.

We are in the process of identifying and finalizing the specific locations for our proposed showrooms in the towns mentioned herein below.

New showrooms proposed to be opened in the Financial Year 2023 and Financial Year 2024

Our Company has currently not identified the premises where the new retail showrooms will be established, however the same will be undertaken basis an analysis primarily focused on the demographics of such location, existing businesses in the surrounding areas, the site quality such as site visibility, footfall generation, parking and accessibility of the location to the customers, etc. Accordingly, the premises selected will be based on the abovementioned criteria and each such premises are proposed to be taken on leasehold basis.

Based on the above parameters, our Company has identified the following locations for the proposed 8 new showrooms to be opened in next FY23 and FY24.

The details of the proposed locations are as follows:

Sl. No.	**City**	**State**	**Approximate area of the proposed new showroom *(in. sq.ft)***
1	Amalapuram	Andhra Pradesh	2500
2	Narsipatnam	Andhra Pradesh	2500
3	Palasa	Andhra Pradesh	2500
4	Rajam	Andhra Pradesh	2500
5	Gudivada	Andhra Pradesh	2500
6	Ichchapuram	Andhra Pradesh	2500
7	Mehabubnagar	Telangana	2500
8	Siddipet	Telangana	2500

The break-up of the Net Proceeds of ₹ 1720.08 million is bifurcated for each store herein below in the form of capital expenditure and inventory cost:

(a) Estimated capital expenditure cost for the proposed 8 new retail showrooms

The break-down of total estimated capital expenditure cost for the proposed 8 new retail showrooms is set out below:

Sl. No.	**Particulars**	**Total Estimated Costs (in ₹ million)**	**Funds Already deployed**	**Amount to be funded from the Net Proceeds (in ₹ million)**	**Quotations received from**	**Date of Quotations**	**Validity of the Quotations**
1	Building - Civil	0.52	-	0.52	V Enterprises	01-Aug-22	28-Jan-23
2	Building - Civil	0.02	-	0.02	PCI Pest Control Private Limited	01-Aug-22	28-Jan-23
3	Building - Civil	0.02	-	0.02	Archean Granites & Italian Marbles	01-Aug-22	28-Jan-23
4	Building - Civil	0.01	-	0.01	Sampath Sai Tiles	01-Aug-22	28-Jan-23
5	Buildings - Exterior	0.36	-	0.36	P.J. Iron & Hardware Stores	02-Aug-22	29-Jan-23
6	Buildings - Exterior	0.30	-	0.30	Elite Arts	01-Aug-22	28-Jan-23
7	Buildings - Exterior	0.20	-	0.20	Elite Arts	01-Aug-22	28-Jan-23
8	Buildings - Interior	1.85	-	1.85	Sri Srinivasa Carpentry Works	03-Aug-22	30-Jan-23
9	Buildings - Interior	0.35	-	0.35	Sri Jagadish Timber Mart	01-Aug-22	28-Jan-23

Sl. No.	Particulars	Total Estimated Costs (in ₹ million)	Funds Already deployed	Amount to be funded from the Net Proceeds (in ₹ million)	Quotations received from	Date of Quotations	Validity of the Quotations
10	Buildings - Interior	0.04	-	0.04	Sri Ganesh Hadware	01-Aug-22	31-Jan-23
11	Buildings - Interior	0.34	-	0.34	Classic Ceilings	02-Aug-22	29-Jan-23
12	Furniture & Fittings	0.05	-	0.05	Sri Srinivasa Sheet Metal Works	02-Aug-22	29-Jan-23
13	Furniture & Fittings	0.91	-	0.91	Sri Srinivasa Carpentry Works	03-Aug-22	30-Jan-23
14	Furniture & Fittings	0.22	-	0.22	Haarris Industries	02-Aug-22	29-Jan-23
15	Hardware Materials	0.17	-	0.17	Sri Ganesh Hadware	01-Aug-22	31-Jan-23
16	Hardware Materials	0.26	-	0.26	Sri Ganesh Hadware	01-Aug-22	31-Jan-23
17	Electrical Installations	0.66	-	0.66	Jakson Ltd	01-Aug-22	28-Jan-23
18	Electrical Installations	0.58	-	0.58	DB Solutions	02-Aug-22	29-Jan-23
19	Electrical Installations	1.63	-	1.63	Jain Electricals	02-Aug-22	01-Feb-23
20	Electrical Installations	0.71	-	0.71	Jain Electricals	02-Aug-22	01-Feb-23
21	Electrical Installations	0.10	-	0.10	Jain Electricals	02-Aug-22	01-Feb-23
22	Electrical Installations	0.97	-	0.97	Ch. Srinivasa Rao	03-Aug-22	30-Jan-23
23	Electrical Installations	0.39	-	0.39	IRIS Digital Securities Pvt Ltd	02-Aug-22	01-Feb-23
24	Electrical Installations	0.10	-	0.10	Kaizen Enterprises	03-Aug-22	02-Feb-23
25	Office Equipment	0.19	-	0.19	Visakha Technologies	01-Aug-22	28-Jan-23
26	Office Equipment	0.12	-	0.12	Accutech Infosystems Pvt Ltd Infosystems Pvt Ltd	03-Aug-22	02-Feb-23
27	Office Equipment	0.04	-	0.04	ControlP Tehcno Solutions Pvt Ltd	03-Aug-22	30-Jan-23
28	Office Equipment	0.05	-	0.05	Arrow Communications	03-Aug-22	02-Feb-23
29	Vehicles	1.13	-	1.13	Varun Motors Pvt.Ltd	02-Aug-22	01-Jan-23
30	Vehicles	0.13	-	0.13	Jupiter Automobiles	03-Aug-22	31-Dec-22
31	Computers & Systems	0.01	-	0.01	Accutech Infosystems Pvt Ltd Infosystems Pvt Ltd	03-Aug-22	02-Feb-23

Sl. No.	Particulars	Total Estimated Costs (in ₹ million)	Funds Already deployed	Amount to be funded from the Net Proceeds (in ₹ million)	Quotations received from	Date of Quotations	Validity of the Quotations
32	Computers & Systems	0.67	-	0.67	Featuretek IT Solutions (OPC) Pvt. Ltd.	02-Aug-22	01-Feb-23
33	Computers & Systems	0.10	-	0.10	ControlP Tehcno Solutions Pvt Ltd	03-Aug-22	30-Jan-23
34	Computers & Systems	0.02	-	0.02	RR Technologys	03-Aug-22	30-Jan-23
35	Computers & Systems	0.02	-	0.02	San Solutions	02-Aug-22	07-Feb-23
36	Computers & Systems	0.57	-	0.57	IRIS Digital Securities Pvt Ltd	02-Aug-22	01-Feb-23
37	FSS Systems	0.09	-	0.09	Ezone Securities Solutions India Pvt Ltd	02-Aug-22	01-Feb-23
38	Computers & Systems	0.02	-	0.02	Sri Subramanyam Networking Solutions	03-Aug-22	02-Feb-23
39	Air Conditioners	1.08	-	1.08	Air 'N' Gas Controls	01-Aug-22	28-Jan-23
	Total estimated cost per showroom	**15.00***	**-**	**15.00**			
	Total estimated capital expenditure for eight (08) showrooms	**120.00****		**120.00**			

**As certified by the Independent Chartered Engineer pursuant to certificate dated August 22, 2022*
*** Amount is inclusive of the applicable taxes*

(b) Estimated inventory cost for 8 New Retail Showrooms proposed to be opened in FY 23 and FY24

The break-up of total estimated inventory cost for 8 new retail showrooms to be opened in the FY 23 and FY 24 is set out below:

Sl. No.	Location	Gold Jewellery				Silver Articles			Total Inventory
		Purity	Qty (Kgs)	Rate * (in ₹ millions)	Amount (in ₹ millions)	Qty (Kgs)	Rate * (in ₹ millions)	Amount (in ₹ millions)	
1	Narasaraopet	22 KT	37.000	5.160	190.92	150.00	0.06	9.00	199.92
2	Amalapuram	22 KT	37.000	5.160	190.92	150.00	0.06	9.00	199.92
3	Palasa	22 KT	37.000	5.160	190.92	150.00	0.06	9.00	199.92
4	Gudivada	22 KT	36.000	5.160	185.76	240.00	0.06	14.40	200.16
5	Narsipatnam	22 KT	37.000	5.160	190.92	150.00	0.06	9.00	199.92
6	Rajam	22 KT	37.000	5.160	190.92	150.00	0.06	9.00	199.92

7	Siddipet	22 KT	36.000	5.160	185.76	240.00	0.06	14.40	200.16
8	Mehabubnaga r	22 KT	36.000	5.160	185.76	240.00	0.06	14.40	200.16
	Total				**1511.88**			**88.20**	**1600.08**

* *As certified by the Statutory Auditor pursuant to certificate dated September 03, 2022. Cost of Gold Jewellery and Silver Articles Includes making chages & GST.*

2. General Corporate Purpose

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] million, towards general corporate purposes, subject to such amount, not exceeding 25% of the Gross Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include contingencies, strategic initiatives, working capital requirements, meeting exigencies and expenses incurred by our Company in the ordinary course of business, as may be applicable. The quantum utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes relating to our business which are considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act and in accordance with the stated objectives and our business. Our Company's management shall have flexibility in utilising any surplus amounts.

Offer Related Expenses

The total Offer related expenses are estimated to be approximately ₹ [●] million. The Offer related expenses consist of listing fees, fees payable to the Book Running Lead Managers, legal counsel, Registrar to the Offer, Bankers to the Offer processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to the Syndicate, Registered Brokers, SCSBs, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Subject to applicable law, other than (a) the listing fees, audit fees of statutory auditors (to the extent not attributable to the Offer), and expenses in relation to product or corporate advertisements, *i.e.*, any corporate advertisements consistent with past practices of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer), each of which will be borne solely by our Company; and (b) the stamp duty payable on transfer of Offered Shares shall be borne solely by the Promoter Selling Shareholder (c) all costs, fees and expenses with respect to the Offer will be shared amongst our Company and the Promoter Selling Shareholder, on a pro-rata basis, in proportion to the number of Equity Shares, Allotted by the Company in the Fresh Issue and sold by the Promoter Selling Shareholder in the Offer for Sale, upon the successful completion of the Offer. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, the Promoter Selling Shareholder shall, severally and not jointly, reimburse the Company for any expenses in relation to the Offer paid by the Company on behalf of the Promoter Selling Shareholder. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses will be borne by our Company.

The break-up for the estimated Offer expenses are set forth below:

Activity	Estimated expenses # (in ₹ million)	As a % of total estimated Offer related expenses (1)	As a % of Offer size (1)
Fees payable to the BRLMs including underwriting commission, brokerage and selling commission, as applicable	[●]	[●]	[●]
Selling commission/processing fee for SCSBs, Sponsor Banks and fee payable to the Sponsor Banks for Bids made by RIBs(2)	[●]	[●]	[●]

(3) (4)			
Bidding charges for members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs*(5)*	[●]	[●]	[●]
Listing Fees, SEBI filing fees, BSE & NSE processing fees, book building software fees and otherregulatory expenses	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to legal counsels	[●]	[●]	[●]
Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) *Amounts will be finalised and incorporated in the Prospectus on determination of the Offer Price.*

(2) Selling commission payable to the SCSBs on the portion of Retail Individual Bidders and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:

*Portion for Retail Individual Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE.

No processing fees shall be payable by our Company and Promoter Selling Shareholder to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders 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 and Non-Institutional Bidders	*` [●] per valid application (plus applicable taxes)*

Selling commission on the portion for Retail Individual Bidders using the UPI mechanism, Non-Institutional Bidder which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat and bank account provided by some of the brokers which are members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

No additional bidding charges shall be payable by the Company and Promoter Selling Shareholders to the SCSBs on the applications directly procured by them

(3) Processing fees payable to the SCSBs on the portion for Retail Individual Bidder and Non-Institutional Bidders 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**	*₹[●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹[●] per valid Bid cum Application Form (plus applicable taxes)*

**For each valid application*

(4) The processing fees for applications made by UPI Bidders using the UPI Mechanism would be as follows:

Sponsor Ban(s)	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank(s) 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.*

**For each valid application*

(5) Selling commission on the portion for UPI Bidders using the UPI Mechanism, Eligible Employees and Non-Institutional Investors which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, 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**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by UPI Bidders procured through the UPI Mechanism, Eligible Employees and Non-Institutional Investors which are procured by them and submitted to SCSB for blocking or *using 3-in- 1 accounts, would be as follows: ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.*

(6) The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined 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.

(7) Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for RIIs and Non-Institutional Investors which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

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 BSE or NSE.

Bidding charges payable to the Registered Brokers, RTAs/CDPs on the portion for UPI Bidders using the UPI Mechanism, Eligible Employees and Non-Institutional Investors which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:

*Portion for Retail Individual Bidders**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ [●] per valid application (plus applicable taxes)*

** Based on valid applications*

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. Further, 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.

Interim use of Net Proceeds

The Net Proceeds of the Offer pending utilisation for the purposes stated in this section, shall be deposited only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge financing facilities

Our Company has not raised any bridge loans from any banks or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities including by way of any other short-term instrument, pending receipt of the Net Proceeds.

Monitoring of utilization of funds

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing the Red Herring Prospectus with RoC, we will appoint a monitoring agency to monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet until such time as the Net Proceeds remain unutilized, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of Net Proceeds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors.

Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects of the Offer

In accordance with Sections 13(8) and 27 of the Companies Act, our Company shall not vary the Objects of the Offer unless our Company is authorized to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and which shall be published in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and all editions of [●], a Telugu newspaper (Telugu being the regional language of Andhra Pradesh, where our Registered Office is located), each with wide circulation. Pursuant to Sections 13(8) and 27 of the Companies Act, 2013, our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

Appraising agency

None of the objects of the Fresh Issue for which the Net Proceeds will be utilized have been appraised by any bank/ financial institution.

Other confirmations

Except to the extent of the proceeds received pursuant to the Offer for Sale, none of our Promoters, Directors, KMPs, members of our Promoter Group or Group Companies will receive any portion of the Offer Proceeds.

There are no existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, members of our Promoter Group, Directors and/or Key Managerial Personnel. Further, there are no material existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoters, Directors, Key Managerial Personnel, members of our Promoter Group or Group Companies.

Further, pursuant to the Offer, the Net Proceeds received by our Company shall only be utilised for objects identified by our Company and for general corporate purposes and none of our Promoters, Promoter Group, and Group Companies, as applicable, shall receive a part of or whole Net Proceeds directly or indirectly.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Bidders should read the below mentioned information along with "*Our Business*", "*Risk Factors*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 159, 32, 233 and 286, 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 Offer Price are as follows:

- We are a key leading home-grown regional brand built on hyperlocal retail strategy
- We have an early mover advantage in the state of Andhra Pradesh
- We have fortified our business initially with focus by catering customers in both rural and urban areas and we have been slowly moving towards capturing and expanding over brand in Tier II and Tier III cities
- We, through our operating ethos of 'Relationships, by Design', offer diverse product designs at varied price range to customers across budget bracket
- Our Go To Market strategy is our key business enabler thereby providing wider market reach; deep customer connect and have enabled us to build a loyal customer base
- Our experienced promoter and professional senior management team has enabled us in seamless strategy implementation and business operations
- Our employees and Customers are our real Brand Ambassadors
- Our ability to define operating parameters and internal control measures that enables us to perform as well as grow business across the micro market of Andhra Pradesh and Telangana.

For further details, see "*Our Business – Competitive Strengths*" on page 162.

Quantitative Factors

The information presented below relating to the Company is based on the Restated Financial Information of the Company for the Financial Year 2022, 2021 and 2020 prepared in accordance with Ind AS, the Companies Act, 2013 and restated in accordance with SEBI ICDR Regulations. *For details, refer section titled "Financial Information" beginning on page 233 of the Draft Red Herring Prospectus.*

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Earnings per Share ("EPS") per Equity Share:

Financial year ended 31st March,	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
2022	11.18	11.18	3
2021	5.31	5.31	2
2020	6.24	6.24	1
Weighted Average	**8.40**	**8.40**	

Notes:

1. *Basic EPS (₹) = Basic earnings per share are calculated by dividing the Restated Profit for the year divided by the weighted average number of Equity Shares outstanding during the year, as adjusted for bonus issue.*
2. *Diluted EPS (₹) = Diluted earnings per share are calculated by dividing the Restated Profit for the year divided by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares*

outstanding during the year, as adjusted for bonus issue.

3. *Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share.*
4. *Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.*
5. *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Restated Financial Statements.*
6. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights].*
7. *Pursuant to a resolution of our shareholders dated August 10, 2022 the Company has issued and allotted 29,310,000 bonus equity shares in the ratio of 3 (three) fully paid-up bonus share of the face value of Rs.10 each for every existing 1 (one) fully paid-up equity share of the face value of Rs.10 each held by the members as on August 08, 2022. All per share data has been calculated after giving effect to such bonus issue in accordance with principles of Ind AS 33 "Earning per Share".*

2. Return on net worth ("RoNW"):

Financial year ended 31st March,	RoNW (%)	Weight
2022	16.01	3
2021	9.06	2
2020	11.72	1
Weighted Average	**12.98**	

Notes:

1. *"Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations as at March 31, 2022, March 31, 2021 and March 31, 2020.*
2. *Return on Net worth (%) = Restated Profit for the year divided by Net worth as at the end of the year.*
3. *Weighted average = Aggregate of year-wise weighted Return on Net worth divided by the aggregate of weights i.e. [(Return on Net worth x Weight) for each year] / [Total of weights]*

3. Net Assets Value ("NAV") per Equity Share:

Year Ended	NAV derived from the Restated Financial Statements (in ₹)
As on March 31. 2022	69.82
After the completion of the Offer	At the Floor Price: [●] At the Cap Price: [●]
Offer Price	[●]

Notes:

1. *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*
2. *"Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per SEBI ICDR Regulations.*
3. *Net Asset Value per Equity Share = Net worth divided by the outstanding number of equity shares outstanding at the end of the year.*

4. Price/Earning ("P/E") Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at Floor Price (no. of times)	PE at Cap Price (no. of times)
Basic EPS	[●]	[●]
Diluted EPS	[●]	[●]

5. Industry P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 106.68, the lowest P/E ratio is 24.83 and the average P/E ratio is 52.61.

Notes:

1. The industry high and low has been considered from the industry peer set provided below. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed below.
2. The industry P/E ratio mentioned above is for Fiscal ended March 31, 2022.
3. All the financial information for listed industry peers mentioned above is sourced from the consolidated audited financial statements/results of the relevant companies for Fiscal 2022, as available on the websites of the Stock Exchanges.

6. Peer Group

Name of Company	Standalone/ Consolidated	Revenue from Operations (in ₹ Millions)	Face Value (in ₹)	EPS (Basic) (in ₹)	EPS (Diluted) (in ₹)	P/E Ratio	RoNW (%)	NAV Per Share (in ₹)
Titan Company Ltd	Consolidated	287,990.00	1	24.49	24.49	106.68	25.95%	104.53
Thangamayil Jewellery	Standalone	21,930.72	10	28.09	28.09	40.03	12.39%	236.35
Kalyan Jewellers India Ltd	Consolidated	108,179.34	10	2.18	2.18	38.90	7.53%	30.46
Tribhovandas Bhimji Zaveri Limited	Consolidated	18,436.80	10	3.02	3.02	24.83	3.84%	79.06
Manoj Vaibhav Gems 'N' Jewellers Ltd	**Standalone**	**16,939.19**	**10**	**11.18**	**11.18**		**17.41%**	**69.82**

Source:

a) All the financial information for the Company above is on a Restated Financial Statements. The Basic EPS, Diluted EPS, Net Worth and the number of equity shares as at and for the Fiscal ended March 31, 2022 have been adjusted to give effect to the consequent increase in share capital account of issue of Bonus shares in the ratio of 3:1 approved by our shareholders vide resolution dated August 10, 2022. The computation considering aforementioned effects has been carried out in accordance with the requirements of SEBI ICDR Regulations and therefore the Basic EPS, Diluted EPS and the number of equity shares outstanding as at the end of the year have not been derived from Restated Financial Statements. For reconciliation and further details, see "Other Financial Information" on page 284.

b) Financial information for listed peers mentioned above is sourced from the annual reports as available of the respective peers for the year ended March 31, 2022 submitted to Stock Exchanges.

Notes for listed peers:

Notes for peer group:

1) For the industry peers, the Basic and Diluted EPS refers to the Basic and Diluted EPS sourced from the financial statements of the companies respectively for the financial year ended March 31, 2022.
2) P/E Ratio has been computed based on the closing market price of equity shares on NSE on September 02, 2022 divided by the Basic EPS as at March 31, 2022.
3) Return on Net Worth (%) = Profit for the year ended March 31, 2022 divided by Average Total Equity of the Company for the FY 2021-22.

4) NAV is computed as the Total Equity of the Company as on March 31, 2022 divided by the outstanding number of equity shares as on March 31, 2022.

The Offer Price is [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company and Promoter Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with “*Risk Factors”, “Our Business” and “Financial Information”* beginning on pages 32, 159 and 233 respectively, to have a more informed view. The trading price of Equity Shares could decline due to factors mentioned in “*Risk Factors*” on page 50 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To
The Board of Directors
Manoj Vaibhav Gems 'N' Jewellers Limited
47-15-8, V Square, Zone-A,
Opp: TSR Complex, Station Road,
Dwarakanagar, Visakhapatnam - 530016,
Andhra Pradesh, India

Statement of Special Tax Benefits available to Manoj Vaibhav Gems 'N' Jewellers Limited and its shareholders under the Indian tax laws prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations")

We hereby report that the enclosed Annexure prepared by the Company, initialed by us and the Company for identification purpose, states the possible special tax benefits available to the Company and its shareholders, under direct and indirect taxes (together "**the Tax Laws**"), presently in force in India as on the signing date, which are defined in the Annexure.

These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover the possible special tax benefits available to the Company and its shareholders but does not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure and its contents is the responsibility of the management of the Company and is not exhaustive. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. 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 proposed initial public offering of equity shares of the Company comprising a fresh issue of the Equity Shares by the Company and an offer for sale of Equity Shares by certain shareholders 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 possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on this Statement.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India.

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

i) the Company and its shareholders will continue to obtain these possible special tax benefits in future; or

ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/ would be met with.

The contents of enclosed Annexures are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. 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 the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for 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 the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Draft Red Herring Prospectus, Red Herring Prospectus, and the Prospectus, and in any other material used in connection with the proposed Offer. We hereby authorise you to deliver a copy of this letter of consent to the Registrar of Companies, the Stock Exchanges and other regulatory authorities as required by law. The Statement is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For and on behalf of Sagar & Associates
Chartered Accountants
Firm Registration Number: 003510S

Name: CA B. Aruna
Designation: Partner
Membership No.: 216454

UDIN: 22216454APSVBD8298
Place: Hyderabad
Date: August 22, 2022.

ANNEXURE

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA – INCOME TAX ACT, 1961

Outlined below are the special tax benefits available to Manoj Vaibhav Gems 'N' Jewellers Limited (the "Company") and its Shareholders under the Income Tax Act, 1961 (the "Act") as amended by the Finance Act, 2022 applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24, presently in force in India.

I. Special tax benefits available to the Company

a. As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.168% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/exemptions:

   i. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone.
   ii. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation).
   iii. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund).
   iv. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research).
   v. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
   vi. Deduction under section 35CCD (Expenditure on skill development).
   vii. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M.
   viii. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above.
   ix. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above.

   Further, it was clarified by CBDT vide Circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

   The Company has opted for the provisions of section 115BAA of the Act from the Assessment Year 2020-2021.

   In case where a Company does not opt for the lower tax rate, the Company would be liable to pay tax @ 25% or 30% depending upon the prescribed turnover threshold (plus applicable surcharge and health and education cess).

b. Income arising from the business of operating and maintaining the jewellery business - Nil

II. Special tax benefits available to the Shareholders of the Company

There are no special tax benefits available to the Shareholders of the Company for investing in the shares of the Company.

Notes:

1. This Annexure is as per the Income Tax Act, 1961 as amended by the Finance Act, 2022 read with relevant rules, circulars and notifications applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24, presently in force in India.

2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Issue.

4. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

5. No assurance is provided 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.

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, AND TO THE SHAREHOLDERS OF THE COMPANY

Outlined below are the possible tax benefits available to the Company and its shareholders under the Indirect tax laws in force in India. This Statement is as per the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2022 including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year 2022-23, presently in force in India.

UNDER THE INDIRECT TAX

BENEFITS TO THE COMPANY UNDER VARIOUS INDIRECT TAX LAWS:

1. Special tax benefits available to the Company

There are no special tax benefits available to the company.

2. Special Tax Benefits available to the Shareholders of the Company

(i) The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company.

[Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017].

(ii) Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, Goods and Services Tax (Compensation to States) Act, 2017 including the relevant rules, notifications and circulars issued there under.

Notes:

1. This Statement covers only certain relevant Indirect tax law benefits and does not cover any other benefit under any other law.

2. These tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Indirect Tax Regulation. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

3. The tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. 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 issue.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

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

5. The above views are based on the existing provisions of laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information in this section is derived from the report titled "Industry Jewellery Retail Industry Report" dated August 31, 2022 (the "**Technopak Report**"), prepared by Technopak Advisors Private Limited ("**Technopak**"). We commissioned the Technopak Report for the purpose of confirming our understanding of the industry in connection with the Offer. Neither we, nor any of the Lead Managers, nor any other person connected with the Offer has verified the information in the Technopak Report. Further, the Technopak Report was prepared based on publicly available information, data and statistics as of specific dates and may no longer be current or reflect current trends. The Technopak Report may also be based on sources that base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Technopak, has advised that it does not guarantee the accuracy, adequacy or completeness of the Technopak Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of Technopak Report or the data therein. Further, the Technopak Report is not a recommendation to invest / disinvest in any company covered in the report. Technopak especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of the Technopak Report. Prospective investors are advised not to unduly rely on the Technopak Report when making their investment decision.*

OVERVIEW OF THE INDIAN ECONOMY

India GDP and GDP Growth

India is the world's 6th largest economy and expected to be in top 3 global economies by FY 2050

Currently, India ranks sixth in the world in terms of nominal gross domestic product ("GDP") and is the third largest economy in the world in terms of purchasing power parity ("PPP"). India is estimated to be among the top three global economies in terms of nominal GDP by FY 2050.

GDP Ranking of Key Global Economies (CY 2021)

Country	Rank	% Share (World GDP, at current prices)	Rank PPP	% Share (World GDP, PPP)
United States	1	23.9%	2	15.7%
China	2	18.5%	1	18.6%
Japan	3	5.1%	4	3.7%
Germany	4	4.4%	5	3.3%
United Kingdom	5	3.3%	10	2.3%
India	**6**	**3.3%**	**3**	**7.0%**
France	7	3.1%	9	2.3%
Italy	8	2.2%	11	1.8%
Canada	9	2.1%	15	1.3%
Korea, Republic	10	1.9%	14	1.7%

Source: World Bank Data, RBI, Technopak Research

India expected to fare better than developed economies and recover to a high growth path in coming years

India's real gross domestic product ("**GDP**") has sustained an average growth between 6% and 7% since FY 1991. India has been the fastest-growing G20 economy since FY 2015, with annual growth rate hovering around 7%. India's economy grew at 6.1% in FY 2019. The real growth rate declined to ~4% in FY 2020 and witnessed a contraction of 7.3% in FY 2021 due to the outbreak of COVID-19 pandemic. The pandemic led to imposition of lockdowns towards the last quarter of FY 2020 and a major part of the first quarter of FY 2021 causing a contraction in the economy. Further lockdowns were lifted in staggered manner and local lockdowns were imposed as per the gravity of the situation. The impact of COVID-19 has caused several large economies to shrink. It is being estimated that India's GDP is expected to resume its pre COVID-19 growth momentum by FY22.

Real GDP growth rate of Key Global Economies (CY)

Country	2018	2019	2020	2021	2022E	2023P	2024P
United States	3.2%	2.1%	-3.0%	5.2%	4.9%	1.9%	1.8%
China	7.1%	5.9%	2.1%	8.2%	4.4%	4.8%	4.6%
Japan	0.6%	0.3%	-4.3%	0.0%	2.3%	2.2%	0.8%
Germany	2.9%	0.0%	-5.6%	2.9%	5.7%	2.7%	1.5%
United Kingdom	0.0%	3.2%	-9.4%	6.9%	3.7%	1.2%	1.5%
India*	**6.1%**	**4.2%**	**-7.3%**	**9.5%**	**8.2%**	**6.9%**	**7.0%**
France	1.9%	1.8%	-7.9%	5.5%	2.9%	1.4%	1.5%
Italy	0.9%	0.4%	-8.9%	3.0%	2.3%	1.7%	1.3%
Brazil	0.0%	0.0%	-4.1%	3.6%	0.8%	1.4%	2.2%
Canada	2.4%	1.9%	-5.3%	3.6%	3.9%	2.8%	1.7%
Russia	0.0%	7.1%	-4.1%	3.6%	0.1%	1.4%	2.2%

Source: World Bank data, WEO April 2021 by IMF; Data of India is based on Financial Year (April-March) basis.
** Secondary sources and Technopak Research*

Comparison with other Countries

The country wise GDP of key countries is given in the table below:

Country Wise GDP (USD trillion)

Country	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023P	2024P	CAGR (2013-2019)	CAGR (2021-2024)
USA	15.5	16.2	16.8	17.5	18.2	18.7	19.6	20.6	21.4	20.9	23	25.3	26.7	27.7	4.1%	6.4%
China	7.6	8.5	9.6	10.5	11.1	11.2	12.3	13.9	14.3	14.7	17.5	19.9	21.9	23.6	6.9%	10.5%
Japan	6.2	6.3	5.2	4.9	4.4	5	4.9	5	5.1	5	4.9	4.9	5.3	5.5	-0.3%	3.9%
Germany	3.7	3.5	3.7	3.9	3.4	3.5	3.7	4	3.9	3.8	4.2	4.3	4.6	4.8	0.9%	4.6%
UK	2.7	2.7	2.8	3.1	2.9	2.7	2.6	2.9	2.8	2.7	3.2	3.4	3.7	3.9	0.0%	6.8%
India*	**1.2**	**1.3**	**1.5**	**1.7**	**1.8**	**2.1**	**2.3**	**2.5**	**2.7**	**2.6**	**3.2**	**3.5**	**3.8**	**4.2**	**10.3%**	**9.5%**
Brazil	2.6	2.5	2.5	2.5	1.8	1.8	2.1	1.9	1.9	1.4	1.6	1.8	2	2.1	-4.5%	9.5%
Russia	2	2.2	2.3	2.1	1.4	1.3	1.6	1.7	1.7	1.5	1.8	1.8	1.7	1.7	-4.9%	-1.9%
Indonesia	0.9	0.9	0.9	0.9	0.9	0.9	1	1	1.1	1.1	1.2	1.3	1.4	1.5	3.4%	7.7%
Turkey	0.8	0.9	1	0.9	0.9	0.9	0.9	0.8	0.8	0.7	0.8	0.7	0.7	0.8	-3.7%	0.0%
Saudi Arabia	0.7	0.7	0.7	0.8	0.7	0.6	0.7	0.8	0.8	0.7	0.8	1	1	1	2.3%	7.7%
South Africa	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.4	0.3	0.4	0.4	0.4	0.5	0.0%	7.7%
World	73.8	75.5	77.6	79.7	75.1	76.4	81.4	86.4	87.7	84.9	90.1	93.3	96.7	100	2.1%	3.5%

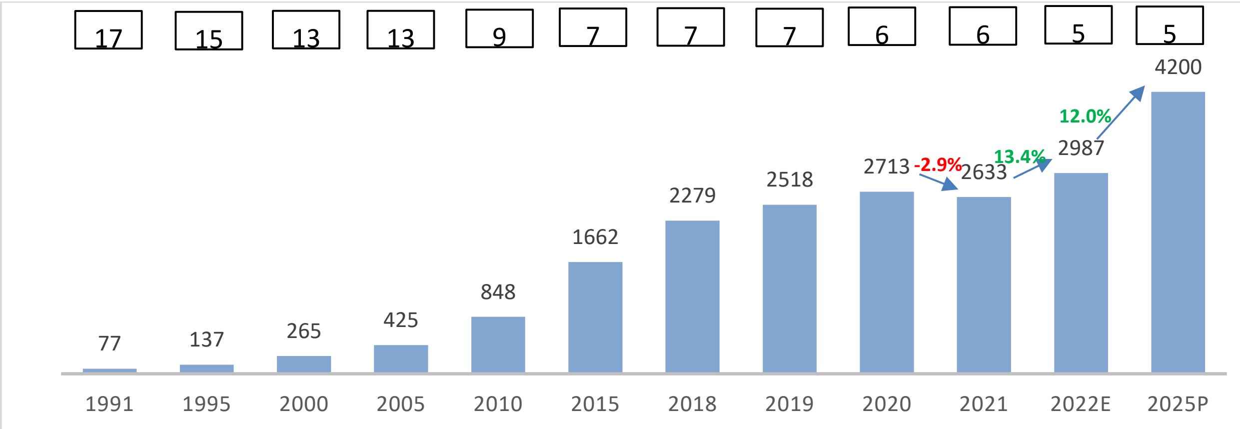
Source: India Data from RBI, Future growth rate from OECD Data, Technopak Research
1USD = INR 75
Data in CY
** For India, CY 2011 means FY 2012, CY 2012 means FY 2013 and so on.*

India's GDP Growth

Since FY 2005, Indian economy's growth rate has been twice as that of the world economy and it is expected to sustain this growth momentum in the long term. In the wake of COVID-19, India's nominal GDP has contracted by approximately 4% in FY2021 and is expected to bounce back and reach USD 4 Tn by FY 2025. It is also expected that the growth trajectory of Indian economy will enable India to be among the top 3 global economies by FY 2050.

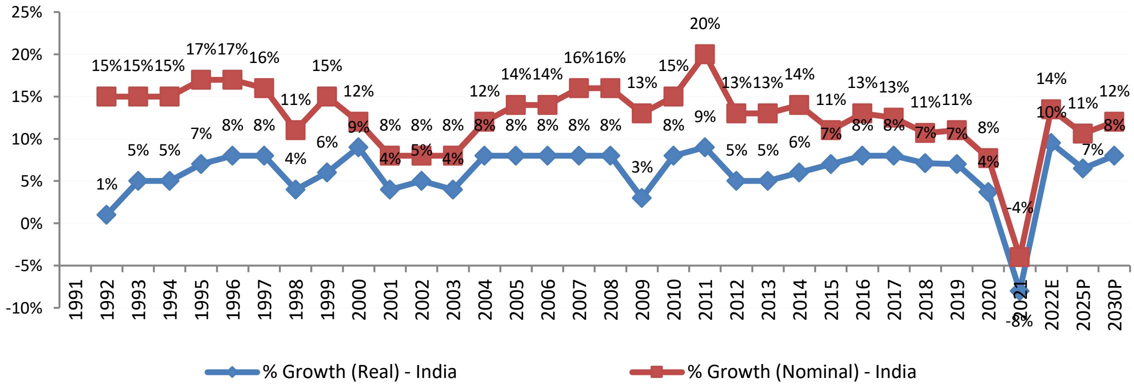
Several structural factors are likely to contribute to economic growth in the long run. These include favorable demographics, reducing dependency ratio, rapidly rising education levels, steady urbanization, growing young & working population, IT revolution, increasing penetration of mobile & internet infrastructure, increasing aspirations and affordability etc.

India's Nominal GDP in FY (USD Bn)



1 USD=INR 75
White boxes at the top refer to India's GDP rank on a global basis

Historical GDP Growth (%)



Source: RBI Data, World Bank, IMF

Key demographic drivers for economic growth

India's medium to long term growth and its positive impact on private consumption will be determined by inter-play of demographics, urbanization, and policy reforms.

Demographics

India has one of the youngest populations globally compared to other leading economies. The median age in India is estimated to be 28.1 years in 2021 as compared to 38.1 years and 37.4 years in the United States and China, respectively, and is expected to remain under 30 years until 2030.

Median Age: Key Emerging & Developed Economies (CY2021 Estimated)

Country	**India**	**China**	**USA**	**Singapore**	**Russia**	**Korea**	**Canada**	**UK**
Median Age (Yrs.)	28.1	37.4	38.1	34.6	39.6	41.8	42.2	40.5

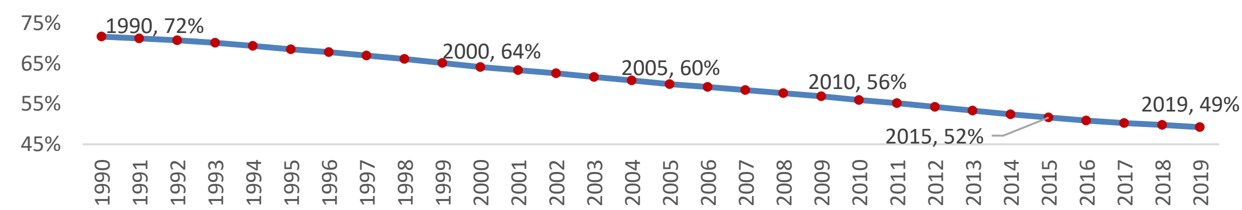
Source: World Population Review, Technopak Research

The size of India's young population is contributing to a decline in the dependence ratio (the ratio of dependent population size compared to the working-age population size (15 to 64 years of age), which has decreased from 64% in FY 2000 to 50% in FY 2018. This trend is expected to lead to rising income levels per household as well as higher levels of discretionary expenditure. A substantial rise in India's working age population from 36% in FY 2000 to 50% in FY 2019 is expected to continue sustaining the growth momentum of the Indian economy and lead to rising income levels in the long-term. The younger segment of the population 15-40 years is naturally pre-disposed to adopting new trends and exploration given their educational profile and their exposure to media and technology, which presents an opportunity for domestic consumption in the form of branded products and organized retail.

Dependency Ratio

Age dependency ratio is the ratio of dependents i.e., population younger than 15 or older than 64 to the working-age population i.e., 15-64. In India dependency ratio was as high as 72% in CY 1990, but it has been on a decline since then. In CY 2010, it was 59% which has been reduced to 50% in CY 2019. Decreasing dependency ratio means the country has higher percentage of people with income which is good sign for the economy. Lower dependency ratio implies fewer dependents on individuals with income which will allow them to spend their discretionary income on leisure activities such as travel, eating out, etc.

Age Dependency Ratio (% of working-age population)



Source: CEIC, Year indicates CY

Women Workforce

Numerous factors, including better health care and greater media focus are allowing women in India, in both urban and rural areas, to exercise greater influence on their families and society. The most important factor, however, is educational opportunity. Between 2005 and 2015, enrolment of girls in secondary education increased from 45.3% to 81% and in CY 2019 was higher than enrolment of boys. Higher education has also seen an increase in women enrolment, with almost 20% of women pursuing higher education studies compared to 22% of men.

These changes are expected to have a broad impact on societal factors, including workforce demographics and economic independence for women. The share of women workforce in the services sector has increased from 17.5% in CY 2010 to 28%in CY 2019. This increase of women in the workforce has seen a shift of patterns in terms of household activity, including a downward trend in home cooked meals and an increase in demand for "out of home" consumption and packaged food consumption.

Sector wise Split of Female Employment in India (CY)

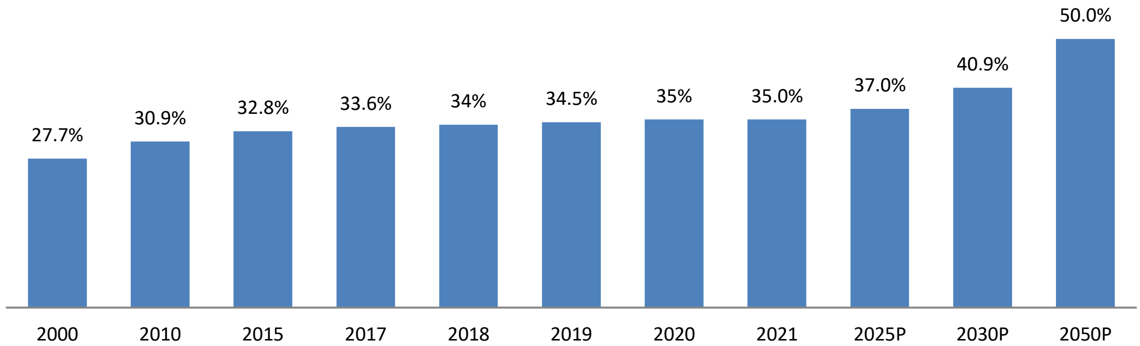
Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Agriculture	67.0%	63.6%	60.0%	59.4%	58.7%	57.9%	57.2%	56.4%	55.5%	54.7%
Industry	15.5%	17.1%	18.8%	18.4%	18.2%	18.0%	17.7%	17.5%	17.3%	17.4%
Services	17.5%	19.3%	21.3%	22.2%	23.2%	24.1%	25.1%	26.1%	27.2%	28.0%

Source: World Bank Data

Urbanization

India had the second largest urban population in the world in absolute terms at 493 million in CY 2021, second only to China. However, only 35% of India's population is classified as urban compared to a global average of ~57% in CY 2021. It is the pace of India's urbanization that is a key trend to note for implication on India's economic growth. Currently urban population contributes 63% of India's GDP. Going forward, it is estimated that 37% (541 million) of India's population will be living in urban centers by FY 2025. Urban population is expected to contribute 75% of India's GDP in FY 2030.

Increasing Urbanization



Source: World Bank, Technopak Research

Urban Population as Percentage of Total Population of Key Economies (CY 2021)

Country	World	India	China	USA	Singapore	Russia	Malaysia	Vietnam	UK
Urban Population Share	57%	35%	63%	83%	100%	75%	78%	38%	84%

Source: World Bank

Nuclearization

The growth in the number of households exceeds population growth, which indicates an increase in nuclearization in India. According to the 2011 census, 74% of urban households have five or less members, compared to 65% in 2001. It is expected that that smaller households with higher disposable income will lead to a greater expenditure in, among others, jewellery, fashion, home & living, packaged food and food services. The growing trend in nuclearization and higher disposable income will lead to higher spend in health and wellness categories as it is one of the priority categories.

Indian Household Size and Growth Trend

Year	Total No. of HHs (Mn.)	Avg. HH Size	Avg. Urban HH size	Decadal growth rate of HHs	Decadal growth rate population
1981	119	5.5	5.4	19.2%	24.7%
1991	148	5.5	5.3	24.4%	24.4%
2001	192	5.3	5.1	29.7%	25.7%
2011	248	4.8	4.6	29.2%	16.4%
2021P	317	4.2	4.0	27.8%	9.0%
2030P	386	3.9	3.6	21.8%	18.1%

Source: Census

Distribution of Households by number of persons (in Mn)

No. of person	FY 2001			FY 2011		
	Total HH	Rural HH	Urban HH	Total HH	Rural HH	Urban HH
1 Person	8	6	2	10	7	3
2 Persons	16	12	5	24	17	8
3-5 Persons	95	65	29	137	88	49
6-10 Persons	67	50	17	70	51	19
11 Persons and above	7	5	2	7	5	1

Source: Census

Aatma Nirbhar Bharat Abhiyaan

Almost equivalent to 10% of GDP, the stimulus package announced by the Indian government contains 1.2% of direct stimulus measures and the remaining 8.8% includes liquidity support measures and credit guarantees. Investments for infrastructure development and credit facilitation for agriculture, horticulture, fisheries, animal husbandry and food processing industries and support to other MSMEs through public sector expenditure entails a long -term investment and dividend cycle. It is expected to attract participation from private players and create more job opportunities resulting in an uptick in income levels and thereby consumption. The Government of India has allocated ₹150,000 crore for investments and credit facilitation for various areas of agriculture, horticulture, fisheries and animal husbandry.

Pradhan Mantri Garib Kalyan Anna Yojana

The scheme was launched on 26th March 2020 during the COVID-19 pandemic, with a budget of ₹170,000 crore for the period from April-June 2020. The food ministry estimated that benefit of the PMGKAY had reached to nearly 740 million people by the end of May 2020. The benefits of the scheme were extended up to November 2020 with an additional budget of ₹90,000 crore due to the request from 10+ states for extension.

Jewellery sector to benefit from the positive macro-economic trends with aspirational value and as a prominent savings asset class

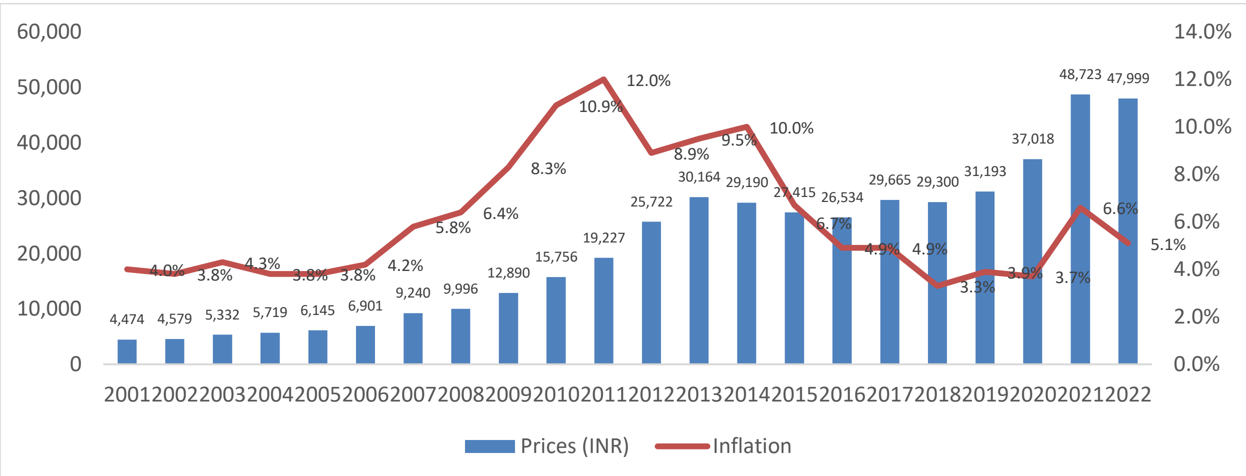
Jewellery sector has been a prominent savings asset class which has been culturally part of Indian society. Indian society has traditionally been investing in jewellery as an asset class which guards them against asset erosion and liquid nature of asset provides access quick cash in case of emergency. The biggest driver to growth in jewellery sector is growing income profile of India. A continuous economic growth with a favorable demographic profile and high contribution of private final consumption expenditure (PFCE) are growth drivers to the Indian jewellery sector. These trends further amplify the traditional importance of gold to Indian markets. An increase of 1% in gross per capital national income leads to rise in gold demand by close to 1%.

The importance of rural markets with relatively lower urbanization levels as compared to world leading economies and limited penetration of other financial products as savings instruments is another important driver for jewellery sector. The savings quotient of jewellery in rural areas is much more amplified as compared to urban centers.

The value of gold as protection against inflation is well documented with growth in gold prices has been higher than inflation over the last 10 to 15-year horizon. As per estimates for each 1% increase in inflation gold demand increases by 2.6%.

Jewellery demand in general and gold demand has growth drivers across positive news as well as negative news in the economy which makes it an evergreen segment in Indian retail sector.

Historical Gold Prices in India (FY)



Source: RBI, World Bank

Average Gold prices, per 10 grams

Growing Middle Class

The households with annual earnings between USD 5,000-10,000 have grown at a CAGR of ~10% from FY 2012-2020 and their number is projected to further double by 2025 from 2020 levels. The households with annual earnings between USD 10,000-50,000 have grown at a CAGR of 20% between FY 2012-2020.

Increase in number of households with annual earnings of USD 10,000 to USD 50,000 has been leading to an increase in discretionary spending on food and beverages, apparel & accessories, jewellery, luxury products, consumer durables and across other discretionary categories. The consumption pattern also has moved towards higher spend on branded products and purchase from organised retail.

Household Annual Earning Details

Year	Total House Holds (in Mn.)	% Share of Total HHs with Annual earning less than USD 5000	% Share of Total HHs with Annual earning USD 5,000 - 10,000	% Share of Total HHs with Annual earning USD 10,000 –50,000	% Share of Total HHs with Annual earning greater than USD 50,000
2009	236	79.6%	15.2%	4.7%	<1%
2012	254	67.0%	23.8%	8.7%	<1%
2014	267	62.6%	26.5%	10.2%	<1%
2015	274	55.1%	30.9%	13.2%	<1%
2018	295	28.5%	41.2%	29.3%	1%
2020	310	25.6%	42.5%	30.6%	1.30%
2030P*	386	18.0%	37.0%	42.0%	3.0%

*Source: *Technopak Estimates & Analysis*

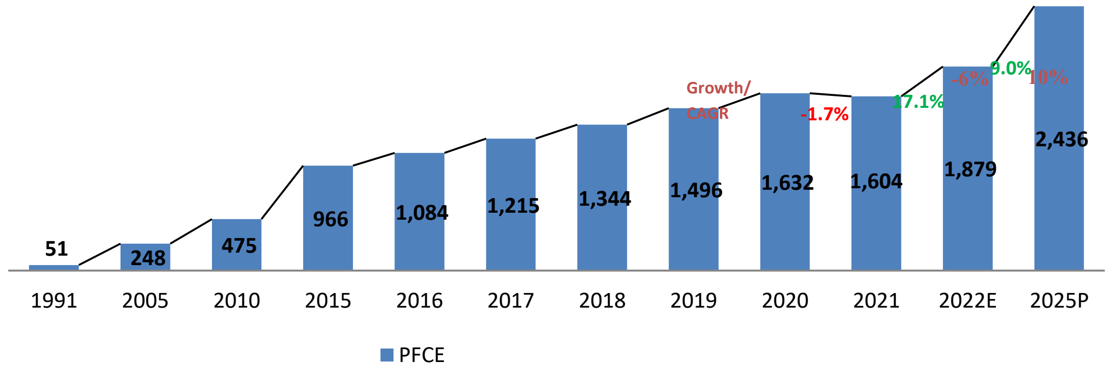
Private Consumption in India

High share of domestic consumption in Private Final Consumption Expenditure

India's share of domestic final consumption expenditure, in its GDP was ~60.5% in FY 2020. This private consumption expenditure comprises consumption, measured as private both goods (food, lifestyle, home, pharmacy etc.) and services (food services, education, healthcare etc.). In comparison, China's domestic consumption share to GDP in CY 2020 was 39.2%. High share of private consumption to GDP has the advantage of insulating India from volatility in the global economy. It also implies that sustainable economic growth directly translates into sustained consumer demand for goods and services. India's domestic consumption has grown at a CAGR of 8.2% between FY 2016 and FY 2021, compared to 2.8% and 4.7% in the USA and China, respectively during the similar period of CY 2015 and CY 2020.

With the economic environment becoming uncertain, not only are consumers more thoughtful of their consumption, but also more conscious of their savings and investments. Consumption priorities are also driven by the health and safety concerns and other behavioral changes adopted by the pandemic.

India's Household Final Consumption Expenditure



Source: Technopak Research, RBI Data; Year indicates FY

The annual growth rate for FY 1991-2005 was ~12% and this increased to ~13% for FY 2005 to FY 2020. While the consumption is expected to suffer a setback, it is expected to reach to ~USD 2.44 Tn by FY 2025.

In FY 2020, PFCE accounted for ~60% of GDP. This is much higher than that in China (~39%) and comparable to that of the US (~67%).

Total Private Final Consumption Expenditure (Current Prices US $ Tn)

Country	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	Contribution to GDP (2019)	CAGR 2014-2019
U.S.	10.7	11.0	11.4	11.8	12.3	12.7	13.2	13.9	14.4	14.0	15.7	67.4%	4.0%
China	2.6	3.0	3.4	3.8	4.2	4.3	4.7	5.4	5.6	5.6	6.8	39.2%	7.9%
Germany	2.0	1.9	2.0	2.1	1.8	1.8	1.9	2.1	2.0	2.0	2.1	51.7%	-0.6%
India	**0.4****	**0.7**	**0.9**	**1.0**	**1.1**	**1.2**	**1.3**	**1.5**	**1.6**	**1.6**	**1.8**	**60.4%**	**11.1%**
France	1.6	1.5	1.5	1.5	1.3	1.3	1.4	1.5	1.5	1.4	1.5	53.6%	-1.0%
Italy	1.4	1.3	1.3	1.3	1.1	1.1	1.2	1.3	1.2	1.1	1.1	59.8%	-1.7%
Brazil	1.6	1.5	1.5	1.6	1.2	1.2	0.9	1.2	1.2	0.9	1.0	64.2%	-5.3%
Indonesia	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	58.8%	5.0%
Thailand	0.2	0.1	0.2	0.4	0.2	0.2	0.2	0.2	0.3	0.3	0.3	49.6%	-5.2%
Malaysia	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	59.4%	4.2%
Australia	0.8	0.8	0.9	0.8	0.8	0.7	0.7	0.8	0.8	0.7	0.8	54.8%	-1.3%
U.K.	1.7	1.8	1.8	2.0	1.9	1.8	1.7	1.9	1.8	1.7	2.0	66.0%	-1.4%
World	41.7	42.6	43.8	45.0	42.6	43.6	46.0	48.5	49.3	46.9	50.2	56.2%	1.8%

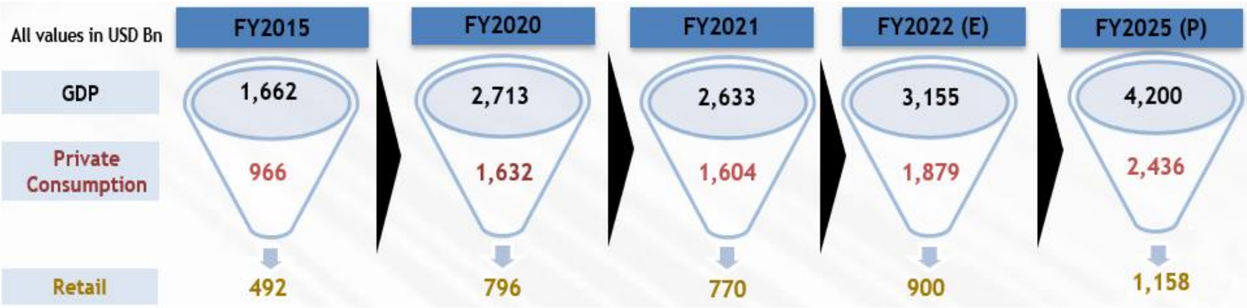
Source: World Bank, RBI, Technopak Research & Analysis
** For India, CY 2020P means FY 2021P*
*** For CY 2011, base year was 2004-05*
1USD = INR 75

INDIAN CONSUMER RETAIL BASKET

Retail Market in India

Retail Market in India was valued at USD 492 Bn in FY 2015 and reached a value of USD 796 Bn in FY 2020, growing at a 10.1% CAGR over this period. Impact of COVID-19 contracted the economy by ~4%. Currently, the Retail Market in India was valued at USD 770 Bn in FY 2021 and is expected to grow at a CAGR of 9.5% to reach USD 1,158 Bn by FY 2025.

India's Consumption Basket (value in USD Bn.) (FY)



	2015	2020	2021	2022 (E)	2025 (P)	CAGR (FY 2021-FY 2025P)
GDP	1,662	2,713	2,633	3155	4,200	12.3%
PFCE	966	1,632	1,604	1879	2,436	11.0%
% Share of PFCE in GDP	58.1%	60.2%	60.9%	59.6%	56.0%	-
Retail	492	796	770	900	1,158	10.7%

Source: Secondary Research, Technopak analysis

Share of Urban and Rural in Indian Retail

Indian consumption was traditionally biased on the rural consumption owing to a high share of population residing in rural areas. Over the years, an increase in urban population led to an increased share of consumption from urban sector. In FY 2015, Urban India contributed to ~48.5% of the total retail whereas rural India contributes ~51.5% of total retail. In FY2020, the share of Urban consumption increased to~50%. It is expected that, by FY2025, the share of urban consumption would be ~55.0% and would overtake the retail consumption by FY 2021.

Indian Household Size and Growth Trend

Year	Total Retail	Urban Consumption	Urban Share	Rural Consumption	Rural Share
2015	492	239	48.5%	253	51.5%
2020	796	398	50.0%	398	50.0%
2021	770	400	52.0%	370	48.0%
2022E	900	468	52.0%	432	48.0%
2025P	1,158	637	55.0%	521	45.0%

Source: Secondary Research, Technopak Analysis

Share of various categories in overall Indian Retail Basket

Type of Categories	Categories	FY 2020	FY 2021	FY 2022 (E)	FY 2025 (P)	CAGR (FY 2021-FY 2025)
	Total Retail (USD bn)	**796**	**770**	**900**	**1,158**	**10.7%**
Need based	Food and Grocery	64.7%	70.6%	67.6%	62.2%	7.3%
	Pharmacy & Wellness	2.9%	3.1%	3.0%	3.2%	11.2%
Primary Non-Food	Apparel & Accessories*	8.3%	5.9%	6.9%	8.7%	22.3%
	Jewellery	**7.5%**	**5.6%**	**6.6%**	**7.9%**	**20.6%**
	Consumer Electronics	6.4%	5.7%	6.3%	7.3%	17.9%
Other Non-Food	Home & Living	4.3%	3.2%	3.7%	4.3%	19.7%
	Footwear	1.2%	0.8%	1.0%	1.2%	21.6%
	Others	4.7%	5.1%	5.0%	5.1%	11.0%

	Total	**100%**	**100%**	**100%**	**100%**	**10.7%**

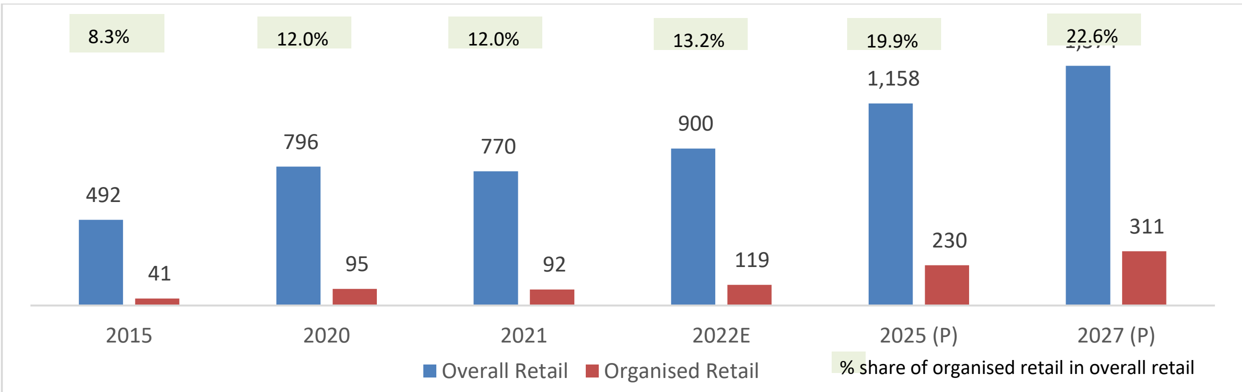
**Accessories includes Bags, Belts, Watches and Wallets; Others include Books & Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages & Tobacco etc.*
Source: Technopak analysis; Year Indicates FY

<u>*Evolution of Retail in India*</u>

Organized retail in India originally started with the emergence of weekly bazaars and fairs. These bazaars and fairs used to be a big attraction for consumers. Over time, with the support of governments for Public Distribution System and corporate sectors to increase their brand presence, the organized retail sector began to take shape. In 2015, the total retail market in India stood at USD 492 billion. Organized retail, while still in its nascent stage contributed to ~8% of the total retail market in India while the unorganized sector still has a significant share, contributing to ~92% of the total retail market. The emergence of an increasing middle class, rise of consumerism and entry of foreign retailers gave a significant push to the development of organized retail in India. In FY 2020, the total retail market in India reached a value of USD 796 Bn and grew by ~10% GAGR over 5 years, the organized retail market reached a value of USD 95 Bn contributing to ~12% of the overall retail market and grew by ~18% CAGR over 5 years.

Although the COVID-19 pandemic caused a major disruption to the overall retail market in India, organized retail market is expected to benefit from the same. It is expected that in 2022, the total retail market would reach a value of USD 900 Bn whereas the organized retail market would reach a value of USD 119 Bn, contributing to ~13% of the total retail market in India. This shift is expected to increase over the next few years. By FY 2025, it is expected that the overall retail market would reach a value of USD 1,158 Bn growing at ~6% CAGR whereas the organized retail market is expected to reach a value of USD 230 Bn contributing to ~20% of the total retail market in India and maintain its growth rate of ~17% CAGR over the next 5 years.

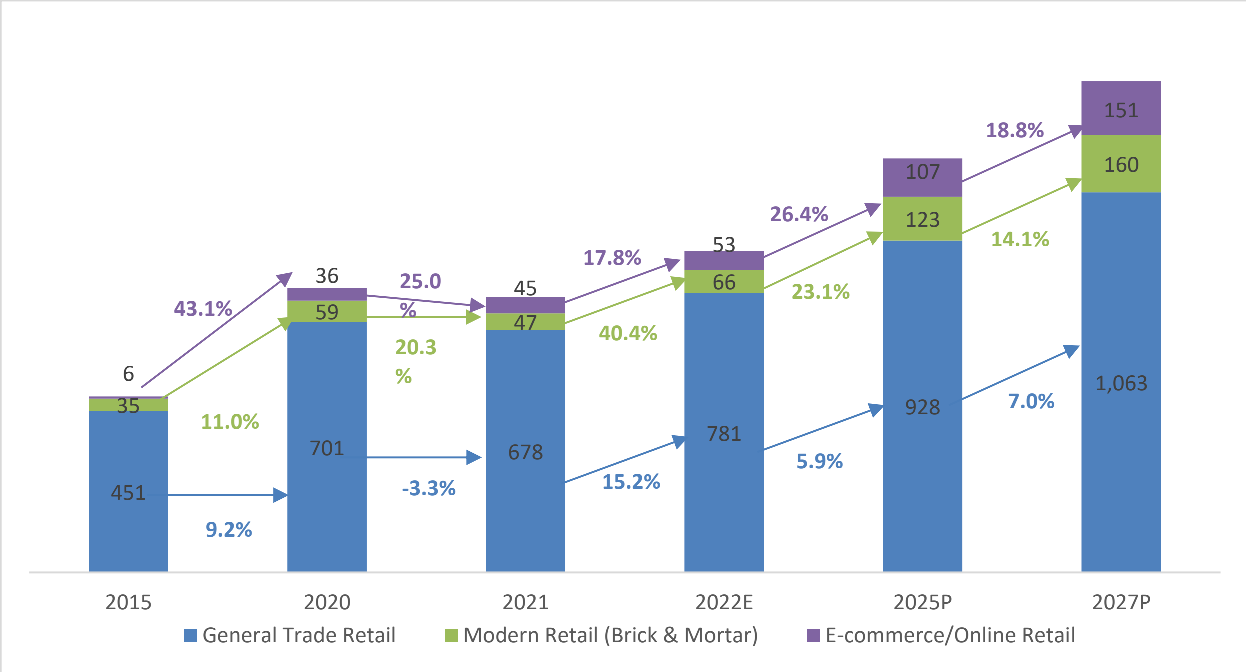
Overall Retail Market (USD Bn) (FY)



Source: Technopak Analysis

% Of Organized B&M Retail

Retail Market Size Split (USD Billion) (FY)



Source: Secondary Research, Industry reports, Technopak Analysis; 1 USD= INR 75

Indian retail is characterized by dominance of Traditional (Brick and Mortar) trade and rising prominence of Modern (EBOs/Supermarkets/E-commerce) trade in categories other than need based categories. The high share of food and grocery in retail basket and relatively low penetration of modern trade has kept the overall share of modern trade on lower side.

Traditional retail has the largest market share in the retail category and is dominated by unorganized players having wide reach to the market.

Growth in the Modern retail will be driven by market entry beyond top 500 cities and growth of omnichannel as an additional channel for sales.

E-Commerce has the highest growth driven by increased internet penetration and growing consumer preference for online retail.

Share of Brick & Mortar and E-commerce across Categories

Category	FY 2015					FY 2020					FY 2021				
	% Total Disc Retail	Retail Mkt (USD Bn)	Traditional	Org. B&M	E-Commerce	% Total Disc Retail	Retail Mkt (USD Bn)	Traditional	Org. B&M	E-Commerce	% Total Disc Retail	Retail Mkt (USD Bn)	Traditional	Org. B&M	E-Commerce
Food & Grocery	66%	327	98%	2%	0%	65%	515	95%	4%	1%	71%	544	94%	4%	1%
Apparel	8%	41.0	77%	20%	3%	8%	66	67%	15%	18%	6%	45	56%	36%	8%
Jewellery	7%	36	73%	25%	2%	8%	60	68%	30%	2%	6%	43	36%	35%	29%
Consumer Electronics	5%	27	74%	16%	10%	6%	51	68%	5%	27%	6%	44	60%	36%	4%
Home Living	5%	22	91%	8%	1%	4%	34	85%	7%	8%	3%	24	72%	22%	6%
Pharmacy & Wellness	3%	15	95%	5%	0%	3%	23	90%	8%	2%	3%	24	88%	8%	3%
Footwear	1%	6	75%	17%	8%	1%	10	70%	14%	16%	1%	6	52%	33%	15%
Others	4%	18	89%	10%	1%	5%	37	90%	5%	5%	5%	39	83%	12%	5%
Total	**100%**	**492.0**	**92%**	**7%**	**1%**	**100%**	**796**	**88%**	**7%**	**5%**	**100%**	**770**	**85%**	**11%**	**4%**

Category	FY 2022E					FY 2025P				
	% Total Disc Retail	Retail Mkt (USD Bn)	Traditional	Org. B&M	E-Commerce	% Total Disc Retail	Retail Mkt (USD Bn)	Traditional	Org. B&M	E-Commerce
Food & Grocery	68%	609	95%	4%	1%	62%	720	91%	6%	4%
Apparel	7%	61	64%	14%	22%	9%	101	54%	24%	22%
Jewellery	7%	59	66%	28%	6%	8%	92	60%	33%	7%
Consumer Electronics	6%	56	65%	7%	28%	7%	85	55%	12%	33%
Home & Living	4%	34	78%	8%	14%	4%	50	70%	11%	19%
Pharmacy & Wellness	3%	27	85%	11%	4%	3%	37	81%	11%	8%
Footwear	1%	9	66%	16%	19%	1%	14	62%	16%	22%
Others	5%	45	80%	12%	8%	5%	59	78%	10%	12%
Total	**100%**	**900**	**87%**	**7%**	**6%**	**100%**	**1158**	**80%**	**11%**	**9%**

**Accessories include Watches, Bags, Belts, and Wallets*
Others include Books & Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages & Tobacco etc.
Source: Technopak Research

Key Challenges in Organized retail in India

1. Geographic Diversity: India is a nation which is geographically spread with culturally diverse consumers. Within each micro region, there exists a multi-layered socio-economic stratum with individualistic need for products, SKUs and brands. The microscopic differentiation in demand diminishes scale economies. It is estimated that there are ~17 Mn points of sale across urban and rural towns and villages with fragmented demand.

2. Retail Real Estate: High quality retail real estate at viable costs is sparse in India. On average, rental costs are 1.5 to 2 times the world average which makes cost to revenue ratio for any retailer / brand unviable and unsustainable (globally the rentals as percent of sales for aspirational brands is ~8%, whereas in India it is in the range of 10-15% that can go as high as 20%).

3. Supply Chain & Distribution: Due to fragmented nature of consumer demand, the distance between consumption and production centers is high. Warehousing and logistics infrastructure growth is still very slow making last mile service delivery difficult as the cost to reach consumers is high.

4. Sourcing: Sourcing is a challenge in India since land holdings and production units are small. Further, co-operative movements have not been able to move beyond regions. However, with GST in place, organized players are as competitive as unorganized players from a sourcing perspective. But these factors play out differently for different categories of retail. For instance, the adverse impact of these factors is more pronounced in categories like food & grocery and furniture, but they are muted in categories like lifestyle and fashion. This is reflected in the disparate share of organized retail in different retail categories.

Key Enablers for Organized Retail in India

Infrastructure investment and upskilling to continue to drive organized retail

Indian retail industry faced severe issues due to lack of infrastructure and lack of technology. Prior to 2011, Indian government denied Foreign Direct Investment in multi-brand outlets. This denied foreign investors ownerships in Modern retail outlets especially supermarkets, hypermarkets, and convenience stores. Post 2012, Indian government announced reforms for the retail industry, permitting foreign players to invest directly in single-brand outlets and allowing global players such as Walmart. The government also permitted FDI in multi-brand outlets up to 51% ownership paving the way for the rise of foreign players in multi brand outlets. This led to an increase in the number of malls, shopping centres and convenience stores in India.

Increasing Omni-channel approach by Retailers

'Omnichannel' approach improves customer service by providing multiple communication options. The back-end integration of channels also allows for more flexibility, as the customer can switch between channels throughout an interaction. Hence more flexibility is achieved through back-end integration of channels and provides for a seamless experience for consumers.

Retailers and brands are prioritising the listing of products across online and offline channels including EBOs, MBOs, LFSs, E-commerce marketplaces and verticals.

Digital Penetration is a Key Growth Driver for Organized Retail

The high growth of smart phones and internet users through smart phones is triggering the growth of e-commerce in general. On one hand, where social networking sites, fashion & lifestyle websites, e-commerce platforms are rendering immense exposure, on the other hand, the growth in the volume of digital payments indicate that actual transactions are also witnessing an upward trajectory. Increase in penetration of smart phone and low-cost internet data has led to a boost in online retailing. Option of payment across various methods whether card, cash, wallets, and e-commerce transaction security has led increasing trust in these payment systems. The option of easy returns at e-commerce portals has led to trial of products and services. As the disposable income is increasing, and with increase in women employment, time has become of essence which has also led to the growth of e-commerce. The pandemic eventually accelerated the pace at which these changes were happening and made companies and consumers alike to adapt to the online medium. The number of internet users in India is set to rise by 900 million in 2025 from 662 million in 2020. It is also estimated that by 2025 there will be 970 million smartphone users.

E-tail in India has witnessed a rapid growth trajectory and is expected to reach 9.3% (~INR 8,00,000 Cr) of total retail by FY 2025 from its share of 4.5% in FY 2020 (~INR 2,70,000 Cr), expected to grow at rate of 22%. Between 2015 and 2020, the e-commerce sales have grown at CAGR of 43.6%. In 2012, the e-tail pie was INR 4,500 Cr (USD ~0.6 Bn) and that was limited to key categories of Electronics, Books, Stationery, and Music which catered to nearly 50% of the pie.

Growth of Digital Penetration

Particulars	FY 2010	FY 2015	FY 2020	FY 2021	FY 2022	FY 2025P	CAGR FY 2015-FY 2022	CAGR FY 2022 – FY 2025
Total Internet Users (Mn)	72	350	687	778	788	900-1000	12.29%	~6%
Mobile Internet Users (Mn)	24	159	480	754	760	850-950	25.04%	9-11%
Mobile internet Users as a share of Total Internet Users (%)	34%	45%	70%	97%	96%	95%-99%	-	-

Source: Secondary Research

Installed Base of Smart Digital Devices

Number Of Users (In Mn) in India	2010	2015	2020	CAGR 2015-20
Mobile phones	257	534	1000	13%
Smart phones	6	170	480	23%

Source: Secondary Research, Economic Times

Growth of Internet Habitual Customers in India

Major Indicators	2010	2015	2020	2021	2022	CAGR 2015-22
No. of Facebook users (Mn)	8 (1%)	142 (11%)	320 (23%)	417 (30%)	543 (39%)	21.1%
Share of Railway tickets booked online (%)	NA	55%	65%	65%	65%	-
Volume of Digital Payments (Bn)	0.7	1.3	34.5	40	46	66.4%
Social Network Users India (Mn)	27 (2%)	142 (11%)	530 (39%)	690 (50%)	898 (65%)	30.1%
Smart Phones (Mn)	6 (0.5%)	170 (13%)	480 (35%)	492 (36%)	504 (36%)	16.8%

Source: Secondary Research

Offline Retail and E-commerce will coexist and flourish together

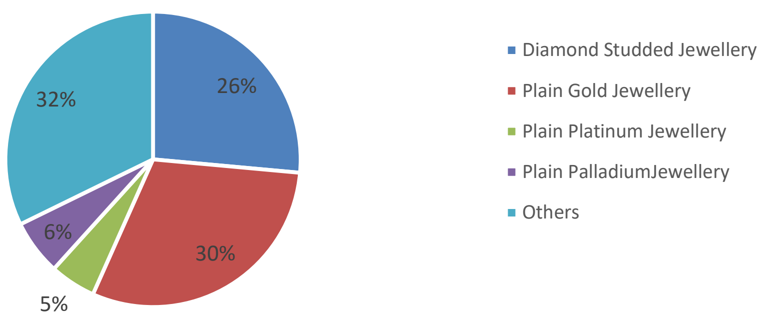
Retailers across categories are moving towards online channel to expand their offerings, to have a place in the 'Omni-channel Ecosystem' where all channels of retailing are essential to reach to the consumers. The lines between offline and online retailing are blurring gradually, whereby consumers connect with brands through any medium of their preference. A purchase made by a consumer is often a mix of various mediums. E.g., A consumer searching online and reading reviews about a product before making a purchase decision, then going to an offline store to look and experience the product, and the eventual purchase could be through either of the channels. This makes presence across mediums essential of retailers to connect with the consumer at every touch point.

OVERVIEW OF GLOBAL JEWELLERY MARKET

Global Jewellery Market

Global jewellery market is estimated at $320 billion in CY 2021 and is a significant contributor to the world economy. It is also for centuries is an expression of creativity, status, and exclusivity. Diamond and gold are two precious items contributing more than 50% of the global jewellery market. USA, China, and India are the top three markets in the global jewellery market with different pecking order in diamond and gold jewellery market. India in addition to being a big market also plays a significant role in the supply chain of both gold and diamond jewellery market.

Global Jewellery Market (CY2021) (~USD 320 Bn)



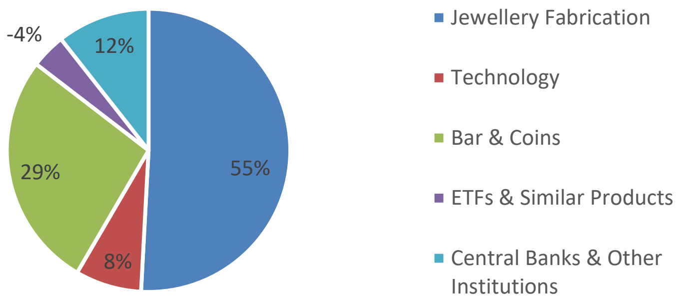
Source: Secondary research, Technopak Analysis
Others include – Gemstones, Coloured Gems, Fashion Jewellery etc.

<u>*Global Gold Market*</u>

The global gold market is estimated at 4021 tons valued in CY 2021 at close to USD 255 billion at average value of LBMA gold price of $1799.0 per ounce. Market saw an increase of 7.7% as compared to CY2020. Demand for gold gets its highest contribution from jewellery retail with 38% of share to overall gold demand. Investment demand in terms of gold coins and bar and ETFs contributed close to 47% of demand with rest coming from central bank and electronics and other technology led sectors. However, COVID has led to a change in distribution of shares across different segments.

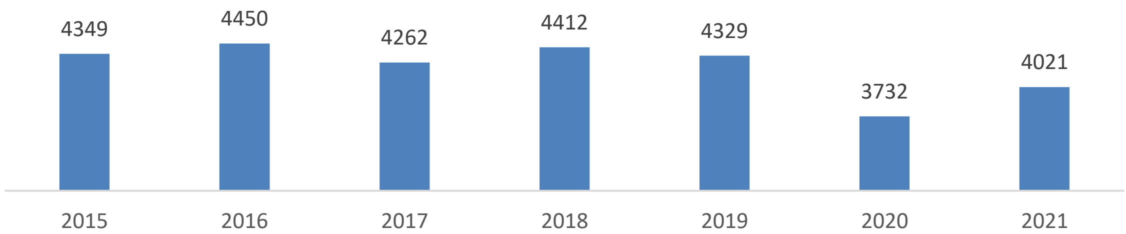
In a normal year jewellery contributes 50% of the demand whereas investment demand in terms of gold coins and bars and ETFs contribute 30% of the total demand. Central bank contribution has been close to 14% with remaining contribution from technology. The demand for gold has been range bound around 4,300 tons to 4,450 tons before a decline due to Covid -19 pandemic.

Global gold demand by sector in CY 2021 (4,021 tons)



Source: Secondary research, Technopak Analysis

Global gold demand Volume in Tons (Years in CY)



Source: Secondary research, Technopak Analysis

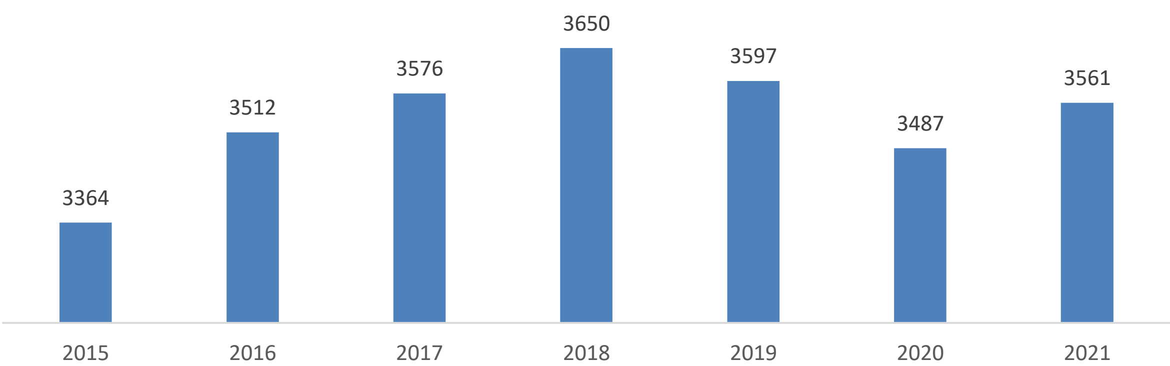
<u>Global Gold Supply Trends</u>

Gold mining meets close to 76% of the world gold demand with remaining 24% coming from recycling of gold. Gold mining output has been range bound around 3560 tons per annum. The top five countries contribute close to 38% of total gold mining industry output. The top three including China, Russia and Australia contribute close to 28% of total gold mining output.

Gold supply trends CY 2021 (Total value 3,561 tons)

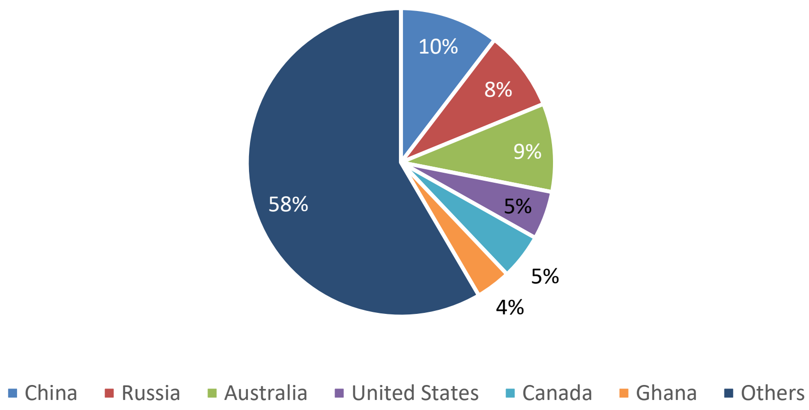
Source: Secondary Research, Technopak Analysis

Gold mine production trends (Value in tons) (Years in CY)



Source: Secondary Research, Technopak Analysis

Share of top gold mining countries CY 2021 (Total value 3,561 tons)



Source: Secondary Research, Technopak Analysis

Stable gold prices are key to positive customer demand for gold jewellery

Gold prices are affected by multiple factors both from supply and demand side. Jewellery may be the biggest segment for gold but its prominence as an asset class and a hedging instrument against inflation or unstable geopolitical environment makes its pricing not limited to consumption trends.

Among the supply side factors, mining centres and gold recycling trends are most important. Supply of gold being controlled by a select group of countries as highlighted requires that factors specific to mining sector and overall geopolitical factors including sustainability issues in these countries are stable. Any disruption in supply chain can lead to spiralling of prices. Recycling of gold is more local in nature and availability of gold for recycling is more secondary in nature linked to rising prices of gold.

Gold being used by central bank as an asset class with its value in hedging risks with other asset classes is another important factor with close to 7% of gold being held by central banks. A high inflationary pressure may generally lead to higher allocation to gold by central banks.

An integrated world market for gold with limited opportunity to earn arbitrage with well -established gold standards is also key to stable gold prices. This also ensures that the grey market is kept under control. India as a market is evolving to be truly integrated with the world market and the industry will benefit from same in the long run.

Customer demand for jewellery market will always be led by broader economic strength including GDP growth and stable price environment. Growing income will ensure that discretionary spend increases as spend in sectors which are traditionally favoured. A stable price environment will ensure that it is affordable and gives value for money. However, what makes gold unique is the fact that people may still invest in gold in difficult economic scenarios given its ability to preserve value as compared to other asset classes.

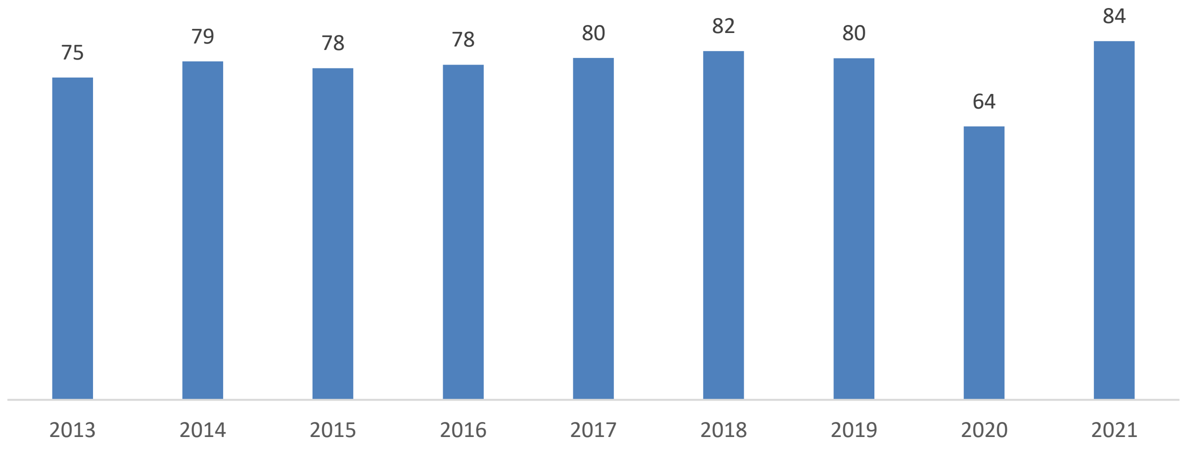
Global Diamond Jewellery Market overview

Global diamond jewellery market size slumped by close to 20% to reach $ 64 billion in CY 2020 due to COVID-19 pandemic. However, vaccination programs and restrictions on experience-based goods and services helped the diamond jewellery market to recover to reach $ 84 billion in CY 2021. A large part of the market is linked to purchases made when people are travelling to international holiday and other destinations which may recover fully by 2025. Jewellers are trying to find new levers to recover sales including local consumption specially in Asian markets.

USA is the biggest market for diamond jewellery contributing more than 50% of the market share. China is the second largest market followed by Europe, Japan, India & GCC countries.

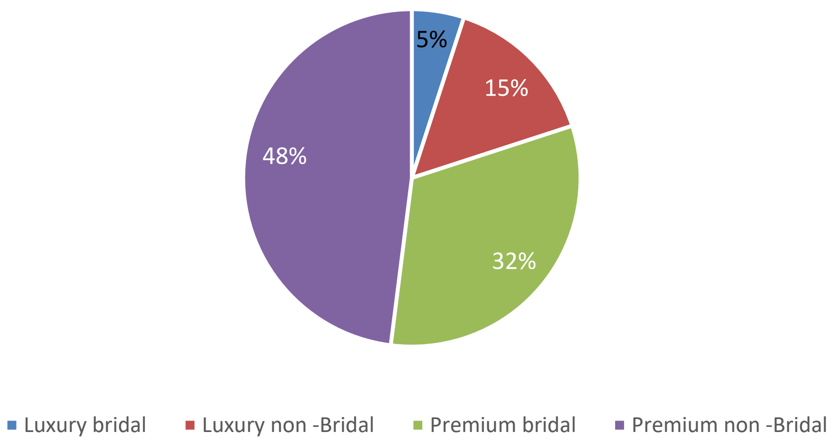
The market for diamond jewellery has lower share of bridal wear at 37%. The share of luxury wear in the diamond jewellery segment is close to 20%.

Global Diamond Jewellery market (CY): Value in $ billion



Source: Secondary Research, Technopak Analysis

Global Diamond Jewellery market (CY 2021): Total value $ 84 billion

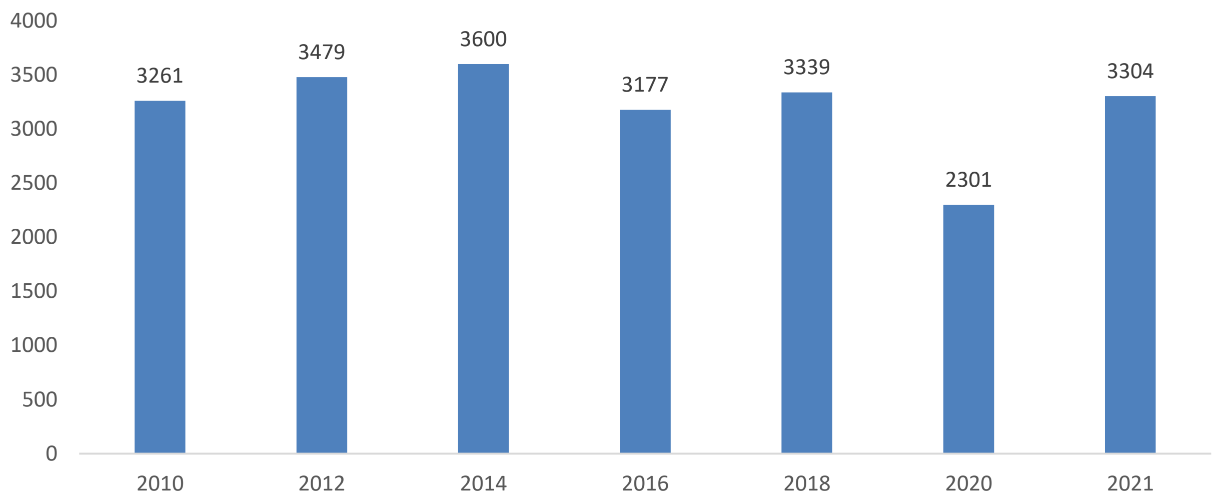


Source: Secondary Research, Technopak Analysis

India Positioning in Global Market

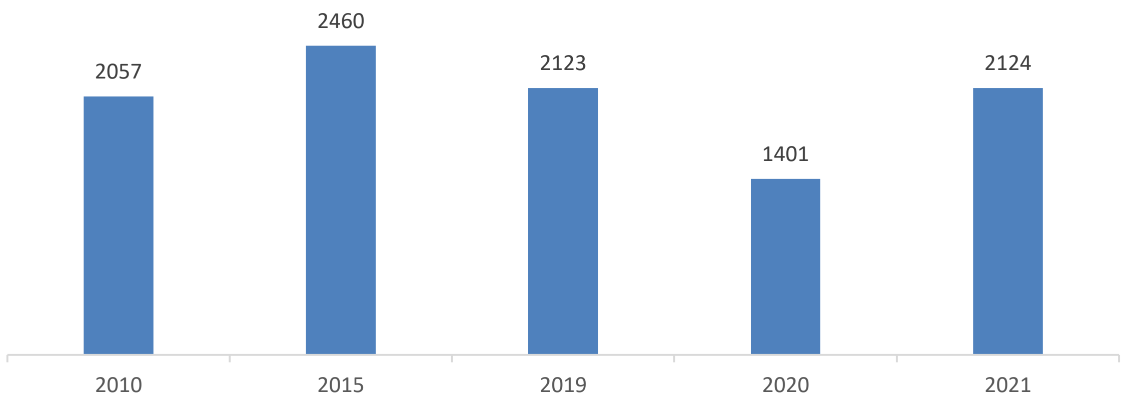
Consumer demand for major markets in gold consisting of jewellery demand and demand for gold coin and bars has now attained new heights at 3,304 tones. India and China are the top two players in the market. Other top three markets are USA, Germany, and Turkey. The top five markets contributed 70% of the total market in 2021.

Gold consumer demand in major markets (value in Tons) (CY 2021)



Source: Secondary Research, Technopak Analysis
Note: Consumer demand includes demand for jewellery and coins and bar

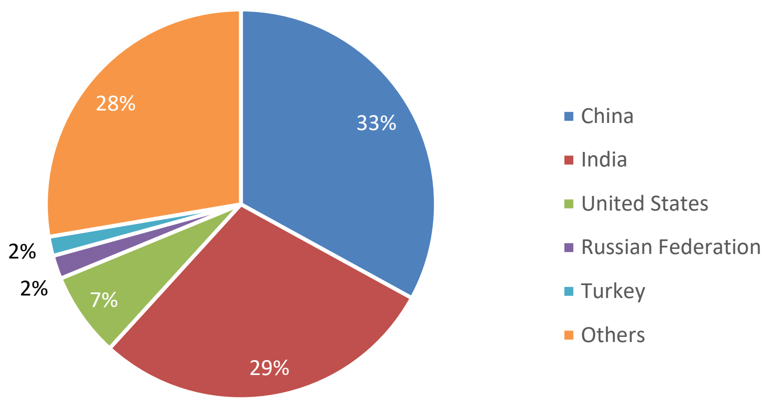
Annual Jewellery Consumption demand trend: value in tons (CY)



Source: Secondary Research, Technopak Analysis

Demand for gold in jewellery segment was close to 2,124 tons in CY 2021 before it went down to close to 1401 ton in 2020 due to pandemic. China is the market leader with a share of close to 33% followed by India contributing 29% in calendar year 2021. India and China together contribute 62% of gold consumption towards jewellery with top five markets contributing 72% of the total jewellery demand in 2021.

Gold Jewellery demand CY 2021 in tonnes: major markets (Total value 2124 Tons)



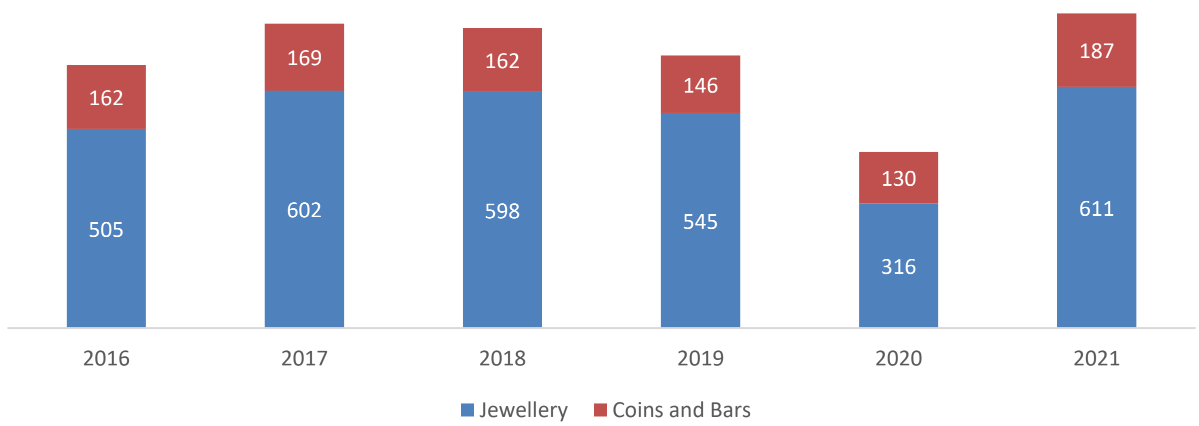
Source: Secondary Research, Technopak Analysis

<u>*Breakup of Gold consumption in India*</u>

India is the world's second largest market for gold with an average consumption of close to 700-750 tons before COVID -19 pandemic. Gold demand came down by 35% to 446 tons in CY 2020. Gold consumption in India is met by imports with domestic mining contribution of close to 1%. Recycled gold contributes close to 8% of the total supply. Contribution of recycled gold depends on the prevailing prices with an increase in prices leading to higher availability of gold for recycling.

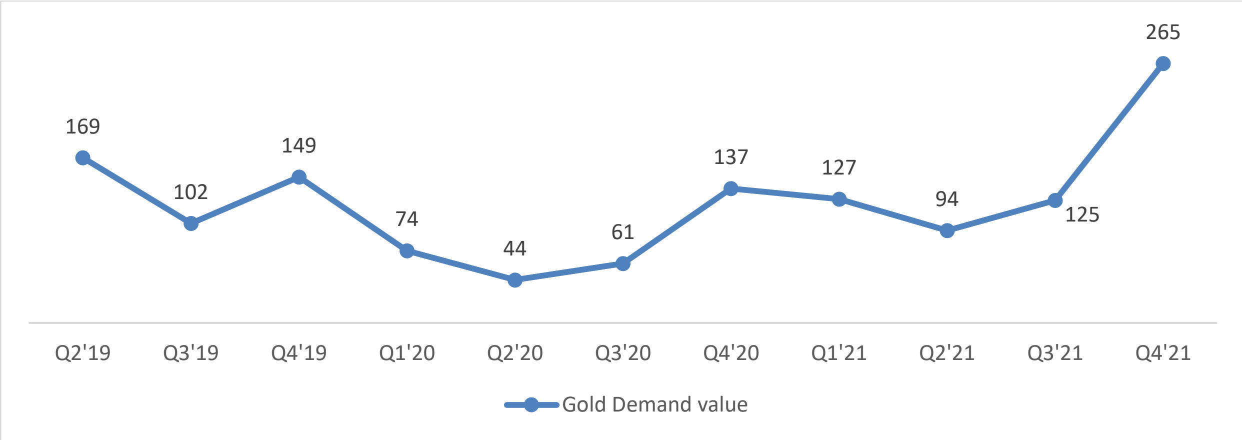
A quarter wise analysis of gold demand in India shows close to 74% of decline in demand from Q2 2019 to Q2 2020. There was a recovery in demand with Q4 20 and Q1 21 showing almost complete recovery of sales. However, demand in Q2 21 was again almost 67% lower than Q2'19.

Indian consumer gold demand (value in tons) (Years in CY)



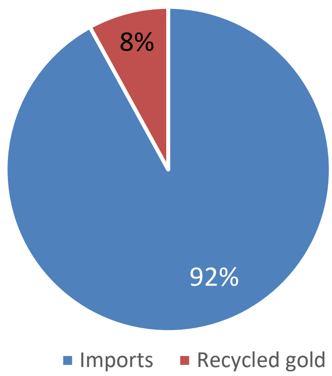
Source: Secondary Research, Technopak Analysis
Note: Consumer gold demand includes demand for jewellery and coins & bars and does not include diamond, silver, other precious stones and other metals

Indian gold demand quarter wise trend CY (value in tons)



Source: Secondary Research, Technopak Analysis

Indian gold supply trend (value in tons)



Source: Secondary Research, Technopak Analysis

JEWELLERY RETAIL IN INDIA

Evolution of Jewellery Retail in India

Evolution of Jewellery retail in India

Till 1994	1994-2000	2001-2007	2008-2016	2016 – Present
Dominance of Family Jewellers	**Initiation of Organized Retail**	**Growth of Organized Retail**	**Emergence of Industry Leaders**	**Supply side reforms aided the growth of Organized Retail**
1. Family Jewellers served captive customers **2.Offerings restricted to standard local designs** **3. High transaction cost marred by opaque pricing and inaccurate purity**	1. Reference creation for organized retail with the launch of Tanishq by Titan 2. Local players foray into regional expansion	1. Brand Building efforts by Organized Retail on planks of trust and transparency Karatometer and Jewellery exchange schemes introduced certificate of authenticity and buy-back schemes 2. Micro-segmentation of the market and	1.Tanishq emerges as leading players with stores across all regions of country 2. Focus on rural and semi-urban demand 3.Initiation of E-commerce for jewellery retail	1. Demonetization 2. Introduction of GST 3. Compulsory hallmarking of gold jewellery 4. Mandatory PAN Card for transactions above INR 2 lacs

		launch of sub-brands 3. Growth of franchise model		
Share of Organized Jewellery Retailing in various phases of growth				
0%	**0% -> 2%**	**~2% -> 6%**	**7% ->27%**	**~30%**

Source: Secondary Research, Technopak Analysis

- **Dominance of Unorganized Jewellers (Till 1994):** Family jewellers largely dominated the space of Indian Jewellery retailing. These jewellers operate based on trust and flexible credit scheme for their customers. The unorganized jewellery sector was plagued with practices like under-caratage of gold, misrepresentation of quality, opaque pricing and tax evasion.
- **Initiation of Organized Players (1994-2000)**: Brand 'Tanishq' was launched by Titan with the aim to fill these need gaps. It focused on purity, fashion, product design and marketing. In 1995, Gitanjali launched branded jewellery under 'GILI' brand. With concept of BIS hallmarking of gold emerging in 2001, some organized players started selectively offering BIS hallmarked jewellery that differentiated them from unorganized retail in terms of product purity. Some also introduced gold purity checking machines called Karatometers in their retail stores to reinforce customers trust and launched buy back/exchange schemes to expand their customer base.

- **Growth of Organized Pie (2000-2007):** Tanishq turned profitable and reported profit of INR 2.07 Cr on the sales of INR 188 Cr in FY2001 for the first time since its inception. Dominant local players started their regional expansion and in 2001, TBZ opened their first showroom outside Mumbai in Hyderabad. In 2005, Malabar opened its first store outside Kerala in Bangalore. Organized players like Tanishq and Gitanjali deployed franchise model to expand their retail footprints. This period was also marked by the launch of multiple sub-brands by organized retailers to address the demand heterogeneity. Brands such as Nakshatra (2000), Nirvana (2002), Sangini (2004) etc. were launched by Gitanjali and GoldPlus (2005), Zoya (2007) and Mia (2011) were launched by Tanishq.

- **Emergence of Industry Leaders (2008-2016):** Tanishq adopts a nearly uniform product and retailing approach that caters to uniform urban need with mid to premium price positioning. On the other hand, players like Malabar and Joyalukkas succeed to scale up beyond regional footprint by focusing on mass to mid-price positioning with designs localized for different regions. Tanishq initiates a push towards rural markets with Gold Plus. Majority of top jewellers have gold saving scheme in place.

- **Reforms aiding the growth of Organized Jewellery Retail (2016 onwards):** Reforms like GST and compulsory hallmarking of gold Jewellery creates a natural advantage for organized retailers. These initiatives make unorganized retailing of jewellery untenable based on under-caratage and bullion trading. Further, demonetization and use of PAN card on transactions over INR 2 lakhs make unorganized jewellery retailer an unattractive destination for investment purposes.
- Gold **hallmarking becomes mandatory, a push from unorganised to organized jewellery retail:** Gold hallmarking became mandatory since June 2021 for gold jewellery giving an advantage for organized retailers. At present only 30% of the Indian gold jewellery is hallmarked. The new norms will help the customer get a fair value for their new purchases and the old jewellery (without hallmark) can be sold to the jewellery manufacturer by the customer and that can be hallmarked while making new jewellery.

Unique advantages of gold retailing

Gold has special place in Indian culture. It is used for traditional purposes like marriage, religious rituals, and gifting. In India gold jewellery has an aspirational value. It serves a dual purpose of ornamentation and investment.

- Selling gold in form of jewellery, bar and coin does not require a push like other lifestyle retail categories such as footwear and apparel.
- There is no inventory obsolescence risk in jewellery retailing as products can be recycled to make new ones.
- Jewellery being a high-ticket item, means the relative cost as the percentage of revenue on rent, employees, and promotions with respect to footwear and apparel is low. Much of the cost of setting up jewellery store goes into inventory.

Unit Economics for Retail Segments (Modern Formats)

	Pharma Retailing	Food & Grocery Retailing	Jewellery Retailing	Apparel Retailing	Food Services (QSR)

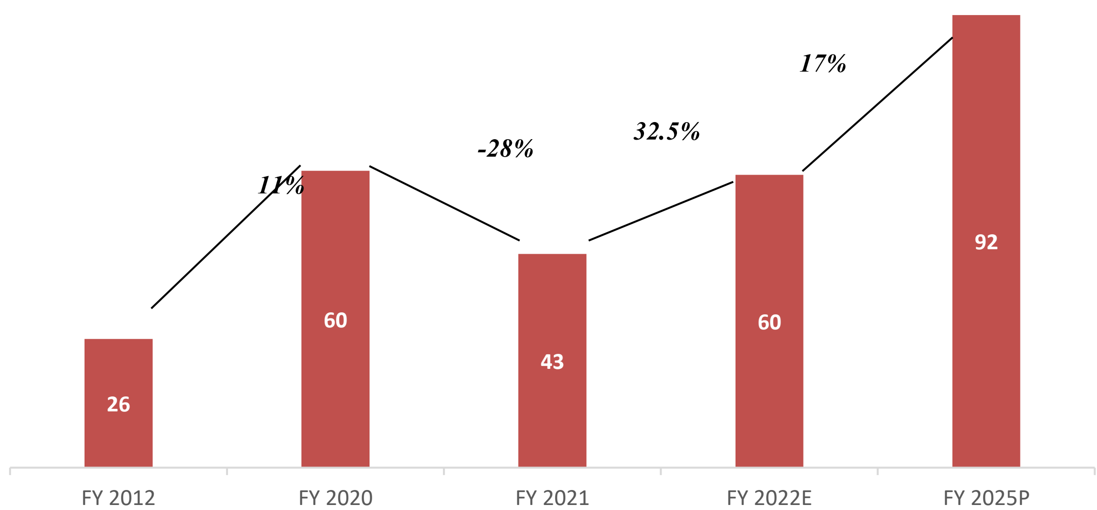
Typical order Value (INR)	250-500	500-1000	20,000-1,00,000	2,000-3,000	500-550
Typical store Area (sq. ft)	~500	1,500-2,500	3,000-5,000	1,000-1,500	1,200-1,600
Typical store Revenue per month (INR)	10-15 Lakhs	30-50 Lakhs	4-6 Cr	15-25 Lakhs	25-35 Lakhs
Average Revenue per sq. ft (INR)	~42,000	~24,000	~1,40,000	~20,000	~26,000
Inventory Cost (INR)	10-15 Lakhs	28-30 Lakhs	30 Cr-40 Cr	~70 Lakhs	10-15 Lakhs
Inventory Turns	9-15 times	12-15 times	2 times	3-4 times	24
Promotional expense as % of store revenue	~1%	1-2%	1-3%	5-7%	4-5%
Employee Cost as % of store revenue	4-5%	5-8%	1-2%	8-10%	9-12%
Capex per store (INR)	4-8 Lakhs	32-35 Lakhs	3-4 Cr	30-35 Lakhs	1.5 -2.5 Cr.
Share of Private Labels	10-15%	15-20%	100%	Varies	100%
Number of SKUs	5,000-15,000	4,000-5,000	1000-1500	500-600*	35-40***
Pay Back Period	~3 years	~3-4 years	~3-5 years	~2-4 years	~3-4 years
Steady State RoCE	40-50%	30-35%	20-25%	25-40%	25-35%

Sources: Secondary research, Primary Interviews, Technopak Research
**SKUs for clothing does not include size variants. Only colour and style options*
**** Combos/meals and Size variations are not included in the SKUs*

Indian Jewellery Retail Industry

The Indian jewellery retail sector's size in FY 2022 was close to USD 60 billion. The sector's organized retail share stood at approximately 32%, comprised of national and regional players, while the rest of jewellery retail continues to be dominated by the unorganised segment, comprised of over 500,000 local goldsmiths and jewellers. The jewellery retail market is expected to grow to approximately USD 92 billion by FY 2025 on account of the growing economy and rising disposable income, increasing consumer demand for gold, growth in gold prices and rising demand for other categories like diamonds, other precious stones and costume jewellery.

Indian Domestic Jewellery Market Size (USD Bn)*



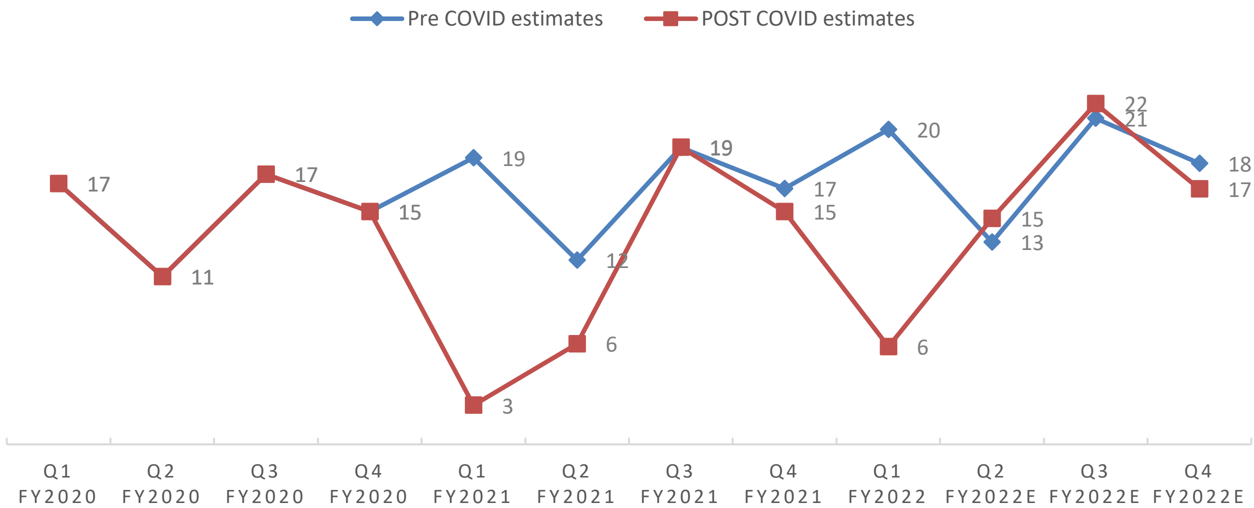
Source: Technopak Analysis, Secondary Research
**Jewellery Market includes jewellery made of gold, diamond, silver, precious stones and fashion jewellery*
Numbers in percentage represents CAGR

1 USD= INR 75, Year Indicates FY

In the wake of the COVID-19 crisis, the demand for FY 2021 contracted by 28%. While the organized segment was more resilient and witnessed contraction of 21%, the unorganized segment contracted by 31% in FY 2021. The quick recovery in demand is linked to deferred purchase related to marriages and other important events which is unique to the sector. However, the market recovered despite the 2nd and 3rd wave of COVID – 19 in FY 2022 and reached a value of USD 60 Bn in FY 2022. The Indian Jewellery Market is expected to reach a value of USD 92 Bn by FY 2025, growing at a CAGR of 15% over the next 3 years.

The larger players in the organised space consolidated the market share away from the unorganised segment because of weak balance sheets of the smaller players and their inability to sustain during the lockdowns which severely constricted their ability to maintain their operations. Furthermore, on the demand side, consumers' desire for a safer shopping experience with larger shop space which permits social distancing, well trained store personnel and strong systems/processes that ensured a safe retail experience benefitted the large, organized jewellers.

Indian Domestic Jewellery Market Size – Quarter wise (USD Bn)



Source: Technopak Analysis; 1 USD= INR 75

While apparel and footwear retail witnessed degrowth of 32-33%, jewellery retail contracted by 28% in FY 2021. The impact on jewellery has been less severe as compared to other discretionary categories like apparel and footwear given:

1. ***Wedding-related element***: Price and income inelasticity of wedding-related jewellery demand underpins the sustenance of this category. Wedding and wedding-related jewellery, which constitutes 60% of India's total demand, will remain resilient. COVID -19 saw demand for jewellery being deferred but as soon as there was some normalcy restored there was an increase in the overall sentiments of the sector.
2. ***Investment-related element***: As gold will continue to be a haven asset class and be perceived to have intrinsic value, jewellery demand is also expected to remain protected.

There has been an overall reduction in spending to compensate for income loss and to save for any further uncertainty. While jewellery as a category is more resilient, the demand of daily wear and non-wedding related occasion wear jewellery which constitutes 40% of the total demand faced some headwinds.

Health and economic concerns have reduced consumer confidence. There may be a long-lasting impact on consumer behaviour and retailers will have to devise transformational strategies to match the changed times, re-evaluate the store portfolio, invest in service, experience, omni-channel to serve new customers, look at newer payment methods and manage costs through operational improvement measures.

India a predominantly gold jewellery market

India has traditionally been a gold jewellery market with a limited but growing participation of studded jewellery. There are regional preferences in acceptance of studded jewellery. There is cultural difference, religious and trust factors as well as other factors leading to purchase of jewellery which have ensured the prominence of gold jewellery.

1. **Gold jewellery as a prominent savings asset class**: Purchase of jewellery is not limited to consumption like fashion, but it has a strong savings connotation. This is further amplified in rural areas with relatively lower access, literacy and acceptance of other financial savings instrument.

2. **Price discovery of gold is more transparent than studded jewellery:** Gold prices are easily available and have universal acceptance leading to more liquid and assured return. However, in case of studded jewellery price discovery is not transparent and resale value is limited relatively.

3. **Limited exposure and understanding of diamonds:** Jewellery being a big-ticket item for majority and limited understanding of diamonds including size, cut and illumination leads to lesser trust value and higher perceived risk.

Growth Drivers of Jewellery Retail in India

Jewellery's/Gold's symbolic significance compliments its investment proposition

- Indians have a strong cultural affinity to gold and its purchase is deeply ingrained in the psyche. It serves the dual purpose of consumption (jewellery) and investment (bars/coins). Strong association of jewellery with weddings and festivals creates a natural demand for expenditure for jewellery in India. Such an association is not only unique to India but also offers a natural advantage to jewellery retailing that caters to this association.
- India is a market of approximately 10 million marriages annually and this market alone is estimated to cater to 300 to 400 tonnes of gold. The age profile of the country will continue to sustain the high growth of weddings in India to support this demand.
- Across many parts of India, people start purchasing gold well in advance of their requirement. They do this through advance purchase schemes and periodically buying gold in small quantities for future weddings.
- Gold is purchased not only for the bride and groom but also for personal consumption by friends and families.
- Due to the COVID-19 pandemic, the scale of celebrations for weddings and other occasions have become muted. Many weddings are being held on a smaller scale. Therefore, the demand for wedding-related jewellery, which is largely price and income inelastic, has remained protected as the jewellery component of wedding expenditures has sustained.
- Gold jewellery also carries a strong symbolic association with wealth and prosperity in India that manifests in the form of purchasing gold jewellery during festivals and auspicious occasions such as, Akshaya Tritiya, Navratri/Durgapuja, Karva Chauth, Onam and Diwali Dhanteras, among others. Strong affinity of the Indian psyche towards gold jewellery over investment in bars and coins as a trend is expected to continue in the future.
- Gold jewellery already carries an investment element which is favourably viewed by Indian households given their propensity to save.

Rising share of organized retail in Jewellery will continue

- Between 2007 and 2020, jewellery retailing in India has seen the fastest transition towards organized retailing compared to any other retail category in India. In 2007, organized share of jewellery retail was 6% and that increased to nearly approximately 32% in 2020. In other words, in the last 13 years organized retail not only captured incremental category demand but it has also succeeded in shifting demand away from unorganized retail in its favour.
- It will continue to consolidate further with COVID-19 impact in past years which has started to build even more pressure on the unorganised market and over-leveraged players with a weak balance sheet. This, combined with a policy push, such as mandatory hallmarking and know-your-customer norms, will weed out some unorganised players and companies lacking the financial stability to withstand this market dislocation. For many unorganised players, liquidating their gold inventory, leveraging higher prices, and consequently shutting down operations may emerge as a more viable option since running operations may not be sustainable going forward. Furthermore, on the demand side, consumers' desire for a safer shopping experience with more space, well trained store personnel and sound systems/processes that ensure a safe retail experience will also benefit organized jewellers. The growth in organised jewellery retail will be driven by select national and regional players with strong fundamentals who will likely get a disproportionate share of this growth unlike organised retail in other discretionary categories which could be more broad-based.

Harvest Economy and Positive Implications on Rural India

- The cultural association with gold jewellery in rural India is even more pronounced than in urban India. As a result, rural India accounts for 60% of gold jewellery demand in India, whereas its share in total retail expenditure is 50%. Farm output, commodity prices and farm incomes therefore have strong causation with jewellery/gold demand. There has been a policy push (budget allocation for Ministry of Agriculture was increased by 78% for FY 2020) that aims to increase farm incomes through better crop productivity (soil health cards, irrigation initiatives, reduction in cultivation cost), better price realizations (assured 50% profit on cost of production, crop insurance, reduction in post-harvest losses), access to formal credit ("KCC") and efficient market access ("eNAM" connecting wholesale to agri-markets). As a response to the COVID-19 crisis, the Government of India has announced the Aatma Nirbhar Bharat Abhiyan Package to stimulate investments.
- With this state intervention, adequate harvests, and procurement of rabi crop and prediction of a normal monsoon this year, the rural economy is expected to be on a faster track of recovery. This growth has already started to reflect in the earnings announcements of various companies with businesses tied to the rural economy (for example, tractor companies and fertilizer companies). As the condition of the rural economy improves, an uptick would be seen in incomes, and therefore, expenditure and investments in the form of gold will resume.

SWOT Analysis of Indian Jewellery Retail

- ***Strengths*** – Large diamond & jewellery players and having an international presence with strong marketing & distribution network makes the jewellery sector strong in terms of retail presence in India and globally. The gold jewellery sector has a successful track record of both launching new products in the domestic market but also catering to the various market based on the insights from local consumers making a strong brand equity and awareness. Gold jewellery can easily grow in the domestic market with minimum innovation and gold in Indian market is also considered as the investment when compared to other economies.
- ***Weakness*** – The organized & unorganized players have a conflict of interest. Due to the fact, that the raw material needs to be imported and key players stock large quantities of stock resulting in higher inventory cost. Technology is also a factor which is still evolving in Indian market when it is compared to markets like China and others. Expansion possibilities into various other segments like watches, luxury goods and others because the disposable income of people are rising which can impact the demand and the shift is possible to other products. Increase in prices of both gold and diamond can also be considered as factor here. Organized players can also focus on areas where they can improve the customer purchase and post purchase experience.
- ***Opportunities*** – Gold jewellery sector can build a new business model as the disposable income is increasing and buying power also increase as the customer pays for more premium and customized products. Evolving e-commerce and social media-based business models can help gold jewellery players engage with local suppliers or arcticians and reduce the cost of entering the new market. This is possible in both cases for regional player to become a pan India player and a pan India player to enter international markets.
- ***Threats*** – In the recent years, the bargaining power of the customers has increased that is putting the pressure on players to reduce prices and as the gold jewellery can leverage low-cost model of reaching the customers using e-commerce and social media. There can be a competition both at the domestic front and it also open the avenues for international players.

Key trends that signify the construct of the Indian jewellery market:

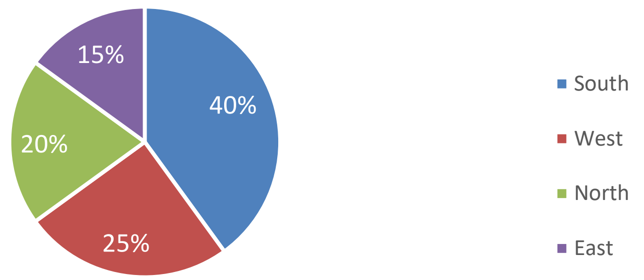
I. Indian jewellery demand is heterogeneous that is influenced by strong regional preferences.
II. Indian jewellery retailing is rapidly transitioning towards organized retail.
III. A strong rural – urban divide exists with regards to jewellery consumption in India.
IV. The Indian gems and jewellery consist of gold, silver, diamond jewellery and other precious gems and pearls but the market is primarily skewed towards gold jewellery.
V. India jewellery market can be sliced into fine jewellery and costume jewellery but 94% of the market is made up of fine jewellery.
VI. Role of e-commerce growing in complementing Brick & Mortar Jewellery Retailing.

Heterogeneous demand influenced by strong regional preferences

Break up of Domestic Jewellery Demand by Region - South India is the largest market in India by region

Indian consumers' jewellery consumption is influenced by multiple factors such as region, income, cultural notions and generally vastly differs across states. Southern states contribute 40% of the Indian gold jewellery market followed by the western region constituting 25% of the jewellery market in India.

Region wise contribution to Jewellery market in India FY 21 (Total value $ 43 billion)



Source: Technopak Analysis, Secondary Research

Indian consumers' jewellery consumption is influenced by multiple factors such as region, income, cultural notions and generally vastly differs across states. Southern states make up 40% of the Indian gold jewellery market while the Eastern states account for 15%. Gross weight of gold worn by a bride in Kerala is more than double the weight of gold worn by a bride in Gujarat signifying that cultural factor score over per capita income when it comes to regional skews observed in jewellery purchase in India. Customer service expectation also varies from one region to other. Wedding jewellery demand is influenced by local traditions and designs. While the gross weight of an average wedding jewellery purchase is 200 gm in Uttar Pradesh, it is 350 gm in Kerala.

In the southern states of India, consumer purchasing behaviour gravitates towards traditional plain gold jewellery where margins are typically lower. Consumers in the Northern and Western regions of India are more receptive to studded jewellery and impulse-led lighter-weight jewellery purchases (14k, 18k jewellery) viz-a-vis their southern counterparts. Plain gold jewellery typically has gross margins ranging from 10% to 14%, while diamond-studded jewellery has gross margins ranging from 30% to 35%. Consequently, as the studded ratio (studded jewellery/total revenue) goes up, profitability improves, thereby incentivizing the expansion of south focused retailers towards the north, west and east.

Illustrative Regional Jewellery Demand and Preferences

Region	North	East	West	South
Market Share*	20%	15%	25%	40%
Dominant Categories	Ring, Pendants, necklaces	Bangles, Necklace, Rings	Pendants, Earrings	Pendants, Necklace, Earrings
Gold Type	White & yellow	Yellow	White & yellow	Yellow
Diamond Quality	S1-I1	VVS, Lower colours	VS, all colours	VVS, Better colours
Preferred Cartage	22k, 18k, 14k	22k	22k, 18k, 14k	22k
Important Centres	New Delhi, Jaipur	Kolkata	Mumbai, Ahmedabad	Chennai, Hyderabad, Cochin, Bangalore

Source: Secondary Research, Industry Reports, Technopak Analysis **Contribution to gold jewellery sales*

Illustrative Regional Jewellery Demand and Preferences (For Weddings)

State	Large Sets	Small Necklace	Bangles, Earrings, and Chains	Gross Weight (In gm)
Kerala	Kazuthulia, Kasu	Kingini Mala,	Kolkata Bangle, Machine cut Bangle, Thoda	350

	Mala, Lakshmi Mala, Mulla Motu	Manga Mala	Bangles, Jhimki, Kurumulaka Mala, Patthakam	
Andhra Pradesh and Telangana	Nakshi Haram	Kandabaranam	Kangan, Gajalu, Buttalu, Sutaru Golusu	300
Tamil Nadu	Lakshmi Haram, Muthu Haram	Vella Kal Mookhuthi	Muthu Valayal, Lakhsmi Valayal, Kemu Valayal, Kempu Kal Jhimkki, Mangal Sutra	300
Karnataka	Akki Sara, Malliga Sara		Lakshmi Bale, Coorgi Bale, Kembina Bale, Jhimki, Mangal Sutra, Mohan Sara	280
Rajasthan	Rani Haar	Thewa	Bangdi, Kada, Rajputi Bangdi, Kundan Butti	190
Gujarat		Chandan Haar	Bangdi, Kundan Bangdi, Kundan Butti, Mangal Sutra	180
Maharashtra	Chapla Haar, Laxmi Haar	Tushi	Tode, Patli, Jhumke, Mangal Sutra	250
West Bengal	Sita Haar	Gola Chik	Plai Bala, Mugh Bala, Chitra Bala, Jhumka	210
Uttar Pradesh	Choker	Choker	Kundan Kangan, Kaan Matti and Mangal Sutra	200
All India				225-250

Source: Secondary Sources, Technopak Analysis

Seasonality of demand a key trend in jewellery sector

Demand heterogeneity is also influenced by seasonality in jewellery purchases witnessed across regions in India. The key drivers to the category being weddings, festivals and harvesting in rural areas and the seasonal nature of each of the drivers ensures that demand for jewellery in each region is linked to the different months and seasons.

Jewellery demand peaks during the run up to marriage months such as May-June, September- January. Agriculture output and monsoon influences gold demand in Tier 2 and Tier 3 towns. A good monsoon can increase crop yields, sweep money into the rural economy and boost gold demand. Rural households invest their proceeds from harvests in gold jewellery during the months of September-November and January to March. Demand for gold and silver jewellery goes up during auspicious religious events like Diwali/Dhanteras in October and November and Akshaya Trithiya, Ugadi in April and May.

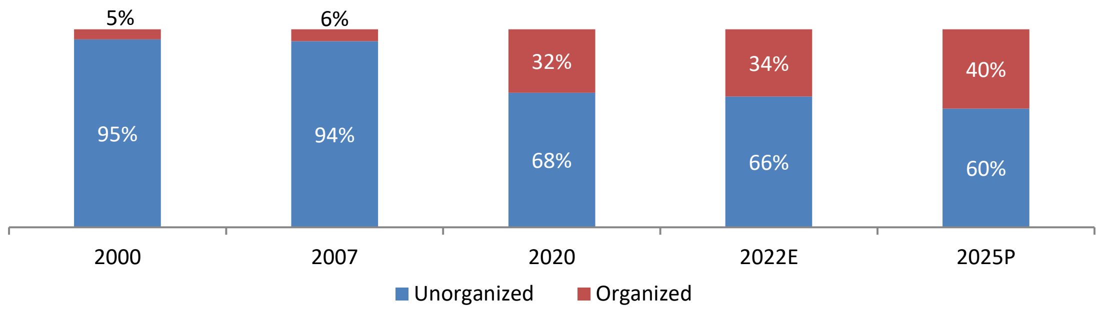
Seasonality in Gold Buying

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
Gold Buying												
Festivals												
Marriages												
Harvests												

Source: Primary Research, Technopak Analysis

Transition of Jewellery Retailing towards organized Retail will continue

Organized and Unorganized Jewellery Market breakup (Years in FY)



Source: Secondary Research, Industry Reports, Technopak Analysis

Reasons for Accelerated Growth of Organized Jewellery Retail

Demand Side factors

- **Urbanization and migration**: Rapid urbanization given economic opportunities have led to the formation of new households and new arrivals in cities, and towns. Migrating consumers' association with their family jewellers is hence disrupted and they rely on trusted brands that can offer transparency, purity, and designs.
- **Growing rural market being catered by organised players**: Rural market continues to contribute 60% of the jewellery demand in India. However, they have limited access to quality products, transparent pricing and designs. Despite the rise in price of gold in the last decade, the volume of purchase advanced by a rural consumer has not come down for weddings/ post-harvest etc. as they consider gold as an investment for the future. Few organised players have tapped the rural market through various interventions like physical retail including small and mid-sized stores in rural areas. For example: While Vaibhav jewellers, a leading regional player in South India, caters to all economic segments of the market in the southern region through their dedicated brand outlets, they have a strong rural market focus as well. Rural markets having a larger pie of the retail jewellery market and the inelasticity of rural demand for gold offers large potential for growth. Over 75% of Vaibhav Jewellers showrooms are in Tier 2 and Tier 3 cities catering to the semi urban and rural demand of Andhra Pradesh and Telangana.
- **India's Demographics**: India has more than 65% of its population under 35 years of age and more than 229 million women aged 20 years to 49 years. Though gold based wedding and daily jewellery continue to remain the main component of their demand these consumers are influenced by global trends and seek studded jewellery, better designs and triggers for purchases that average out throughout the year (for instance gifting). They are better aware and look for the assurance of quality, authenticity, and purity of jewellery during their jewellery purchase process. These shifting consumer trends offer natural advantages to organized players who can cater to these needs.
- **Price transparency and product quality:** Indian jewellery consumers are becoming increasingly brand conscious and developing greater sophistication in their jewellery preferences. They are exposed to a variety of global and national brands for luxury products. They expect similar transparency and product quality for their jewellery. They wish to understand the price methodology followed (cost of materials such as gold, silver, and precious stones, making charges etc.) and be assured of quality of the final product, which can be aptly handled by organised retailers only. Players like Tanishq and Joyalukkas were among the pioneers in the Indian jewellery market in adhering to the highest quality standards for jewellery and introducing price transparency into their products.
- **Service Expectations**: Jewellery represents an asset with lifetime ownership and tacitly acts as an investment asset. Therefore, consumers now expect jewellery purchases to be amply supported by after-sales service like product buyback at fair market price, transparency in billing and product customization, among others. Such demands necessitate services to accompany product retailing and organized players are better placed to bundle them to address this need. Also, organized jewellers offer readymade products which eliminated wait time for customers.
- **Impact of promotional campaigns and sustained brand building effort**: Organized jewellery retailing has been on a sustained brand building trajectory since 2000. Jewellery retailers now adopt a multi-pronged marketing approach that leverages social media, print, television, PR and radio. Organized

retailers have successfully used this approach to educate customers about purity, transparency, and trust to build their brand and that has helped them to capture the growing incremental demand.

- **Retailing experience**: Organized jewellery retailing today signifies ready-made ornaments, wide product range that offers designs and selection, and a superior showroom experience that agrees well with the changing expectation of the consumers. Its ability to offer a better retailing experience has therefore shifted jewellery consumption demand in its favour.
- **Response to COVID-19**: Given greater awareness of safety and security, consumers' desire for a safer shopping experience with more space, hygienic conditions, well trained store personnel and robust systems/processes that ensure a safe retail experience will also benefit organized jewellers. Consumers will continue to avoid going to crowded areas where many unorganized players typically have their outlets.

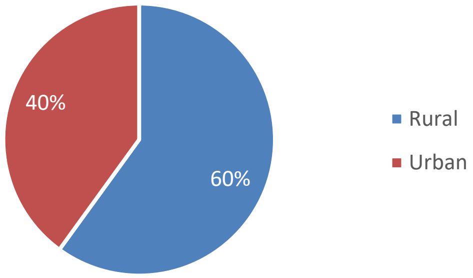
Supply Side factors

- **Demonetisation**: This led to the adoption of plastic/digital money in the jewellery sector. The adoption of cashless transactions has brought in further transparency into the sector. Demonetization helped organized players to further penetrate the wedding market and the high-value jewellery segment by capturing market share from unorganized players whose business was predominantly based on cash.
- **Goods and Services Tax**: The Goods and Services Tax ("GST") with effect from July 1, 2017, brought in greater transparency in the jewellery market by enforcing tax compliance. It favours organized players that can manage prescribed processes.
- **Compulsory hallmarking of Gold Jewellery**: Under-caratage has been a long-standing challenge for jewellery retailing in India and had provided an unfair advantage to many unorganized jewellery retailers who were not required to disclosure purity standards. Compulsory hallmarking which took effect from 16th June 2021 puts additional cost and process requirements on unorganized players and aims to address this issue. It will lead to a further shift of business from the unorganized to the organized jewellery segment.
- **Mandatory permanent account number ("PAN") Card on transactions above INR 200,000 with effect from January 1, 2016, for jewellery purchase**: As per government estimates, jewellery was a major destination for undisclosed income (black money) in India. The PAN card requirement makes it compulsory to establish the identity of the buyer which makes it difficult for unorganized retailers to operate.
- **Immunity to COVID-19:** The future impact of the COVID-19 crisis would depend on how immune businesses are to the crisis. Companies that have a strong immune system (balance sheet strength, reliable promoters, and a good product/service proposition) would continue to thrive, resulting in the further consolidation of the market with these stronger players and increase in market share for them. The resilience will also be reflected in the way these companies adapt to operating in the new normal. Only some of them will be able to position themselves as responsible businesses duly following the norms of social distancing, sanitization, and to invest in digital transformation as well as their service proposition.

Distribution of Urban – Rural Consumption

Urban India accounts for only 40% (~USD 24 Bn) of gold jewellery demand and the rest 60% (~USD 36 Bn) is contributed by rural India. Gold ownership is higher in rural India, and it rises with income levels. The tendency to save more is higher in semi urban and rural areas with limited options for investment esp. during weddings and post-harvest. Rural and Urban India can be considered as two distinct markets. Consumers in rural India prefer to invest in gold jewellery, however urban consumers invest in bars and coins.

Rural vs urban contribution to jewellery market FY 22 (Total value ~$ 60 billion)



Source: Secondary Research, Industry Reports, Technopak Analysis

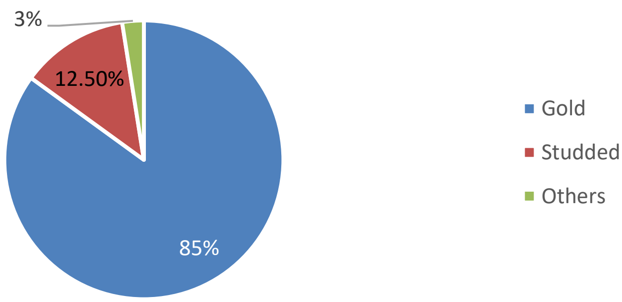
The government's intervention in reviving the rural economy through investments, agri-reforms, increasing MNREGA allocation, provision of essential supplies and restoring opportunities for workers will improve conditions in villages going forward and as that happens, jewellery demand will benefit both because of its cultural significance and safety element as a store of value.

The share of organized retailing in rural jewellery retail continues to be low. This is because rural demand is dispersed which increases the cost of retailing for organized retailers. Hence, organized retailers have adopted a two-pronged approach. The first is to increase their presence beyond Tier 1 cities into Tier 2 and Tier 3 towns to capture rural demand from the vicinity of these towns and therefore, organized retailers with a better mix of stores in favour of non-Tier 1 towns are advantaged in capturing this demand. Second, few organized retailers have also been refining their retailing models to directly tap into the rural demand. Tanishq launched GoldPlus in 2005 and created a presence in rural and semi-urban focused retail play in 30 towns across 5 states. In January 2017, GoldPlus was subsumed under the Tanishq brand to consolidate Tanishq's offering under a single brand to cater to both rural and urban demand. Vaibhav Jewellers cater to all economic segments of the market in the regions that they operate through dedicated brands and loyal customer base, Vaibhav jewellers have a strong rural market focus as they believe that besides the rural markets having a larger pie of the retail jewellery market and offering huge potential for organised players, the inelasticity of rural demand for gold offers great potential for growth. In rural market the volume of the gold matters for consumers not the value.

Strong Influence of Gold in Indian Jewellery will continue with emerging sub-segments

Indian consumers' jewellery consumption is influenced by multiple factors such as region, income, cultural notions and generally vastly differs across states. The market is divided as per the type of jewellery the majority share is taken up by gold, contributing to 85% of the total market. This shows that Gold is the most popular metal used in making jewellery. Pure gold jewellery is seen to have an intrinsic value and therefore is likely to get less impacted. Also, the wedding-related jewellery segment will remain steady due to the pent-up demand of the first half of the year. However, the sale of studded jewellery, daily wear and occasion wear jewellery may get deferred as other product categories which complement the new style of living, working, socialising, and travelling could take priority in the near-term.

Indian fine Jewellery market estimates: Gold vs Studded FY 21 (Total value $43 billion)



Source: Technopak Analysis, Secondary Research

The Indian jewellery market is strongly skewed towards fine jewellery that is signified by an ornamental look, embellishments, and higher weight, among others. This is a direct outcome of the fact that 90% of the jewellery sold in India caters to wedding-related wear and daily wear and only 10% was meant for fashion wear (that signifies light weight). In a market like the United States, such a market composition is usually found to be opposite. However, these sub-segments within jewellery such as light weight gold, silver and studded jewellery have been registering a consistent growth over the last 10 years and now contribute almost 10% to the total fine jewellery segment. While jewellery in India has had a strong association with social occasions and traditions, the growth of this segment signifies a gap that existed in the space of contemporary design sensibility and affordable price points. Through this segment, businesses are targeting younger women with a modern outlook, often residing in urban centres. Businesses have started to address this demand by spinning new lines of products either as separate brands or collections. Tanishq launched its first sub-brand Mia for women with modern sensibilities in 2011 and now has 30 stores in 26 cities. Mia by Tanishq mostly sells 14k, 18k gold variants and recently it has launched a line of silver jewellery as well. Players such as FabIndia and Amrapali are important players in the silver jewellery segment. Platforms like Caratlane and Bluestone are also catering to the same segment.

Jewellery demand breakup by usage

Jewellery Type	Market Share	Cartage	Size
Bridal wear	60%	22k, 18k	30gms-350gms
Daily wear	30%	22k, 18k	5gms-30gms
Fashion wear	10%	18k, 14k	5gms-20gms

Source: Secondary Research, Industry reports, Technopak Analysis

Gross weight of gold worn by a bride in Kerala is more than double the weight of gold worn by a bride in Gujarat signifying that cultural factor score over per capita income when it comes to regional skews observed in jewellery purchase in India. Customer service expectation also varies from one region to other. Wedding jewellery demand is influenced by local traditions and designs. While the gross weight of an average wedding jewellery purchase is 200 gm in Uttar Pradesh, it is 350 gm in Kerala

In the southern states of India, consumer purchasing behaviour gravitates towards traditional plain gold jewellery where margins are typically lower. Consumers in the Northern and Western regions of India are more receptive to studded jewellery and impulse-led lighter-weight jewellery purchases (14k, 18k jewellery) viz-a-vis their southern counterparts. Plain gold jewellery typically has gross margins ranging from 10% to 14%, while diamond-studded jewellery has gross margins ranging from 30% to 35%. Consequently, as the studded ratio (studded jewellery/total revenue) goes up, profitability improves, thereby incentivising the expansion of south focused retailers towards the north, west and east.

The popularity of gold jewellery vs studded jewellery is linked to perceived value as well as the dual role of jewellery as a savings asset. This is more pronounced in the rural segment where the savings profile of jewellery is relatively higher. The perceived value of diamond is limited as an ornament with limited connotations of a savings instrument. The acceptance of studded jewellery will increase as urbanisation increases and savings profile of jewellery in the portfolio is diminished. This is in addition to the cultural factors prevalent in each region.

Region wise jewellery mixes and margin improvement opportunity

Region	Market Contribution	Organized market size	Share of studded jewellery
South	✓✓✓✓	✓✓✓✓	✓✓
West	✓✓✓	✓✓	✓✓✓
North	✓✓✓	✓✓	✓✓✓
East	✓✓	✓✓	✓✓

Source: Technopak Analysis, Secondary Research

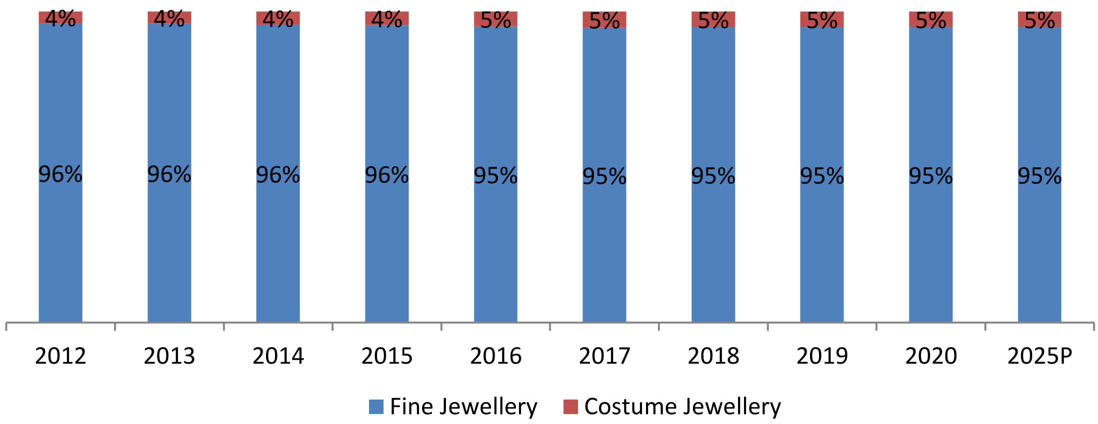
✓✓✓✓	*High*
✓✓✓	*Medium*
✓✓	*Low*

<u>India Jewellery market can be sliced into fine jewellery and costume jewellery. However, 94% of the market by value is still contributed by fine jewellery</u>

Costume/Fashion Jewellery was estimated to register a sale of ~USD 3 Bn in CY 2021 in India contributing almost 5% in the Indian jewellery market and is growing steadily at a CAGR of 10% for the next 4 years to register a sale of ~USD 4.5 Bn in 2025. The organized fashion jewellery market in India is only 2 decades old and there are a handful of brands operating in this space.

It is expected that fashion jewellery in India will continue to grow and be patronised by youth looking to choose from a wide range of products at affordable prices. Fashion jewellery is available across different value segments and in a wide range of material, craftsmanship and design character suited for different purposes.

Sales Mix of Fine Jewellery and Costume Jewellery



Source: Secondary Research, Technopak Analysis

Fine Jewellery: Items considered to be fine jewellery are constructed of gold, silver, platinum, diamond and gemstones. Both yellow and white gold must be at least 10 karats or higher to be classified as fine jewellery. Natural gemstones, which possess all the visual, chemical and physical properties of mined gemstones, are categorized as fine jewellery. All natural diamonds and natural pearls are categorized as fine jewellery

Costume jewellery: Jewellery made with inexpensive materials or imitation gems. Most costume jewellery is constructed with plated metal.

Role of E-commerce growing in complementing Jewellery Retail in brick form

E-tail in India has witnessed a rapid growth trajectory and is expected to reach approximately 9.3% (USD 107 billion) of total retail by FY 2025 from 4.5% in FY 2020 (USD 46 billion). In FY 2012, the e-tail pie was only USD 0.6 billion with key categories of Electronics, Books, Stationery, and Music catering to nearly 50% of the pie.

E-tail penetration of Key Categories

	FY 2020			FY 2025P		
Categories	**Retail Size USD Billion**	**E-tail Size USD billion**	**E-tail Penetration**	**Retail Size USD billion**	**E-tail Size USD billion**	**E-tail Penetration**
Food & Grocery	515	2.8	1%	720	28	4%
Jewellery	**60**	**1.4**	**2%**	**92**	**6**	**7%**
Apparel & Accessories	66	10.2	15%	101	22	22%
Footwear	10	1.5	16%	14	3	22%
Pharmacy & Wellness	23	0.5	2%	37	3	8%
Electronics	51	13.8	27%	85	28	33%
Home & Living	34	2.7	8%	50	10	19%
Others	37	1.9	5%	59	7	12%
Overall Market	**796**	36.0	4.5%	**1158**	107	9.3%

Source: Secondary research, Industry reports, Technopak Analysis; 1 USD= INR 75

The online/E-commerce jewellery market is one of the fastest growing industries in India. The industry has been driven by various factors like growing number of internet users, competitive prices of jewellery etc. The consumers can easily compare the products offered online with various brands, specifications and discounts offered. The market has evolved over the last 5 years with major cities like Delhi, Mumbai, Bangalore, Chennai, etc. driving the growth in Jewellery industry.

Young population of age group 23-35 are the target population/consumers. Few of the E-commerce companies operating in the domain are CaratLane, Candere by Kalyan, Bluestone, and other organized players operating in domain many govern the online market.

Comparison of Online Vs Over the counter Sales

	Online	Over the Counter/Offline
Average Ticket Size	INR 15,000 - 25,000	INR 50,000 - 2.5 Lakhs and above
Type of Jewellery	Daily Wear, Office Wear, Gifting Jewellery	Occasion Wear, Wedding Jewellery, Customize Jewellery
Preferred SKUs	Ear Studs, Chains, Rings, etc.	Necklace, Temple Jewellery, Bridal Jewellery
Assisted Sales	Low	High
Options of Brand & Products	High	Medium
Touch & Feel Experience	Low	High
Discounts & Other offers	High	Medium
Customization	Low	High

Evolving online jewellery businesses have encouraged people to shop for a variety of jewellery like gold, silver, diamond, and platinum etc. at the click of a button. With convenient delivery options and easy payment options has made the jewellery shopping easy and stress free. Though online jewellery plays a crucial role in influencing offline sales, as the digital shift will happen and remain present. But over the counter / offline sales will remain strong for large ticket size jewellery where touch and feel experience play an important role for customers.

Vaibhav jewellers have also a developed & designed their website that can be easily navigated serving as a strong starting point to display of their huge collection. To push online sales that would transcend beyond Southern boundaries and make a strong case for pushing the brand to other micro-markets as well as states. The e-commerce initiative of the company also enables it to reach out to its global customer base. Further, the e-commerce is directly linked through the store which enables direct selling via Augmented Reality and Video Conferencing.

Challenges of Jewellery e-commerce

- **High Share of Bridal Jewellery:** ~90% of India's current jewellery demand is made up of jewellery. Also, ~85% of India's jewellery demand comprises gold. Such a demand requires assisted selling and after sales (customization, insurance, payment options etc.) needs. Currently, brick retail shops are better positioned over pure online shopping destinations to address this demand.
- **High Ticket Item:** High share of bridal wear and gold makes jewellery purchase high ticket price merchandise. This kind of demand gravitates towards retail formats that convey a strong perception of trust and currently brick retail stores manifests this trust better than online shopping.

The Way Forward for E-Commerce in Jewellery Retailing

- The current growth of online jewellery retailing is driven by the affordable range of low carat gold, studded and silver jewellery that caters to urban demand in Metro & Mini-Metros and Tier 1 towns. While the daily wear segment may also merge with this demand and open for e-commerce especially in the urban centres, the wedding-related segment will remain challenged for this channel given the higher ticket value and low incidence of purchase.
- Mirroring the global pattern, online penetration of organised jewellery retail is likely to increase over time. Most leading national players understand the growing importance of this trend and therefore have started to invest in digital marketing and online sales.
- COVID-19 led to the temporary closure of non-essential retailers such as jewellery and other specialist retailers and muted sales thereafter. Pandora had more than 5 stores in Delhi NCR. As a response to COVID-19, they are temporarily closed, and the business has moved online.

- Live streaming e-commerce, relatively a new trend like shopping channel is becoming popular across China and other countries. This is a big opportunity for jewellers, as it will allow them to provide similar experience like in-store and build strong and long-term connections with customers.
- Pandemic, Lockdowns and COVID-19 not only impacted the industry, but this has helped in the rise of contactless delivery and digital payment options. Paypal added over ~21 million new customers and they expect it to grow as the cashless trend is rising across all the retail segments. Apart from mobile wallets, digital wallets, debit & credit cards, other payment options may rise.
- Use of videos and other content is also at a rise as the content provide an overall customer experience via online shopping. High-definition images, 360-degree images & videos of jewellery help consumer visualize wearing the products.
- Online or E-commerce business have encouraged the customers form Tier 2 & 3 to buy jewellery online, because they can get variety of products, convenient delivery options and easy payments options like COD, digital payments etc. The jewellery segment has a huge opportunity in the e-commerce sector with rising demand and huge competition.
- Apart from large players, many regional players such as Vaibhav Jewellers who has regional focus in the states of Andhra Pradesh and Telangana have also forayed into the e-commerce segment. Over the period of 3 years approximately ~2% of the total sales for Vaibhav Jewellers consists of sales from online channel.
- Vaibhav Jewellers is one the first organized jewellery chain from Andhra Pradesh to expand its presence to Telangana. The Company is expanding its presence in Andhra Pradesh and Telangana simultaneously. This will enable to capture the demand and meet the taste of the population of both the states.

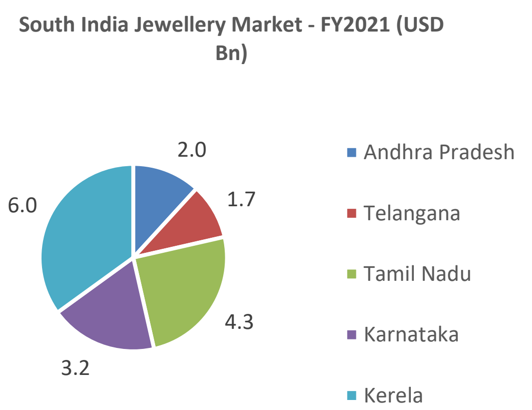
JEWELLERY MARKET IN SOUTH INDIA

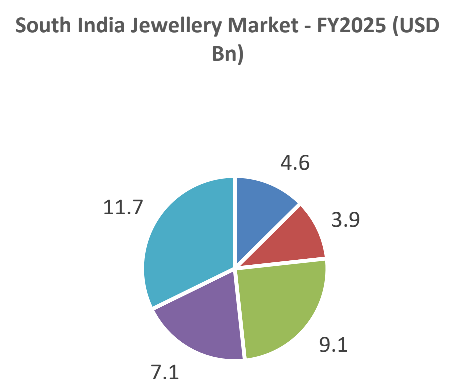
Total Domestic Jewellery Market - ~USD 43 Bn in FY 2021

5 Southern states make up 40% of the Indian jewellery market.

Jewellery always had a great influence on the South India market from weddings to cultural traditions. There is divide between South India and rest of India when it comes to gold jewellery. The market differs in customer preferences. North & West India prefers gold jewellery studded with diamonds and other precious stones. However, the consumers in the south prefer yellow gold ornaments with relatively small share of studded jewellery. In terms of number of pairs too, consumers in South India have a greater number of yellow gold ornaments compared to consumers in other parts of India as consumers in south India prefer to buy yellow gold jewellery due to regional and traditional preferences. Consumer awareness about hallmarked gold jewellery is higher in South India which resulted in faster growth of organised jewellery retail in this region. The bureau has set standards for hallmarking of gold jewellery in 3 grades – 14k, 18k & 22k.

South India Jewellery Market Size (USD Bn) (FY 2021) and (FY 2025)





Source: Technopak Analysis

Gems and jewellery market is growing at a significant pace in India. Out of this South India accounts for the largest share of jewellery market in India, contributing to 40% share in domestic market. Additionally, the Southern region also has higher presence of leading organised players. A large share of the retail network of organised players like Tanishq, Kalyan Jewelers, Joyalukkas and Malabar Gold is present in South India. Out of all these brands, some of the brands like Kalyan Jewellers, and Malabar Gold have majority of their stores in South India. There are some key players of South India which have 100% share in the South Indian market only, such as Thangamayil Jewellery, GRT Jewellers, and Bhima. Vaibhav Jewellers, also a regional jewellery retail chain has presence in micro markets of Andhra Pradesh with a gradual expansion to Telangana through a hyperlocal model. They are currently present in 7 out of 26 districts in Andhra Pradesh and 2 out 33 districts in Telangana.

Key Players and their presence in South Indi

Key Players	Total Store Count	Stores in South India	Share of store in South India
Tanishq	353	100	28%
Kalyan Jewellers	117	70	60%
Thangamayil Jewellery	32	32	100%
Malabar Gold Pvt Ltd	135	93	69%
GRT Jewellers	53	53	100%
Joyalukkas	85	72	85%
Vaibhav Jewellers	13	13	100%
Bhima	14	14	100%

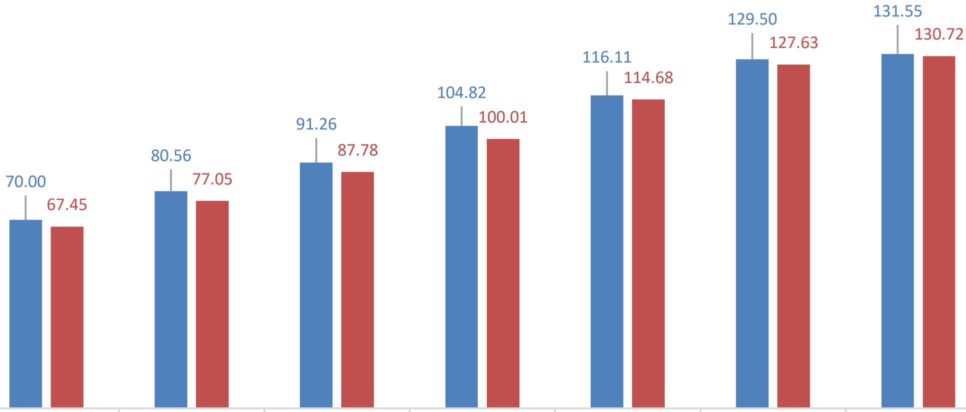
Source: Technopak Analysis, Secondary Research

In South India there has also been a shift in consumption patterns where jewellery is no longer just for weddings and festivals but are also purchased on any joyous occasion including a salary bonus, graduating school, or even starting a new job. As women have become more independent, self-purchase of jewellery is on the rise. The bridal market in the region has been largely dominated by gold, however, minimalism in jewellery in South India, is emerging as a key growth driver for diamond purchase. As more South Indian women are now globally aware of international trends and are becoming environmentally conscious, they are moving towards trusted brands, who offer an assurance of genuineness in their jewellery products.

Micro-Market study of Andhra and Telangana

GSDP of both Andhra Pradesh and Telangana have seen a gradual and steady increase from 2014-15 to 2020-21. This indicates how both the states have developed a healthy growth in their economies. The GSDP at current prices for both states are moving in an upward trajectory. Despite the pandemic taking place in 2021 both states have maintained a forward moving economy.

GDSP (Current Prices) for Andhra Pradesh and Telangana in USD Bn



	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Andhra Pradesh	70.00	80.56	91.26	104.82	116.11	129.50	131.55
Telangana	67.45	77.05	87.78	100.01	114.68	127.63	130.72

Andhra Pradesh   Telangana

Source: Reserve Bank of India   1USD = INR 75

Geographic Reforms in Andhra Pradesh and Telangana

Andhra Pradesh

In 2022 Andhra Pradesh has added 13 new districts and has taken the count to 26 districts. The state earlier had 13 districts. The names of the new districts added are: Parvathipuram Manyam, Anakapalli, Alluri Seetharama Raju, Kakinada, Konaseema, Eluru, Palnadu, Bapatla, Nandyala, Sri Sathya Sai, Sri Balaji, Annamaya and NTR.

Telangana

As of 2019 Telangana had added 2 more districts and had taken the count to 33 districts from previously having 31 of them. The names of the 2 districts added are: Narayanpet and Mulugu.

Sources of Income – Andhra Pradesh and Telangana

Sources of Income	
Andhra Pradesh	**Telangana**
• Andhra Pradesh is the Second largest producer of Silk in India next to Karnataka. • Andhra Pradesh ranks first in cultivation of Oil Palm, Papaya, Lime, Coconut, Cocoa, Tomato and Chilies. The State stood 2nd in Mango, Sweet Orange, Cashew & Turmeric in India • Andhra Pradesh state has emerged as the largest producer of fruits in the country contributing 15.6% of the total production at the national level. • Minerals are one of the main sources of revenue to Andhra Pradesh and are also a major contributor for the economic growth of the State. Andhra Pradesh is a mineral rich state containing a vast variety of mineral wealth particularly industrial minerals. • The Andhra Pradesh government has introduced the Andhra Pradesh Development Policy (IDP) 2020-23, identifying 10 thrust areas. Manufacturing sector, accounting for about 11% of the gross state domestic product, it remains the high focus area in the state.	• Telangana State Industrial Infrastructure Corporation Ltd (TSIIC) has developed 10 new Industrial Parks in the State and allotted 810 acres of land to about 453 industries with an expected investment of about USD 0.8 Bn and potential direct and indirect employment to nearly 7623 persons during the FY 2020-21. • Telangana is the pharmaceutical manufacturing hub in the country. In FY21, there were 311 investment proposals in life sciences sector worth USD 919.43 million. • IT & ITeS export from Telangana grew at a CAGR of 11.32% from 2013-14 to USD 20.05 billion in 2021-21. Many Leading IT companies hold significant presence in Hyderabad. • Hyderabad is emerging as a hotspot for data center space. Due to this the city's inventory is set to grow three times by 2023, with 66 MW capacity addition. • In October 2020, the State Government rolled out 10-year Electric Vehicle (EV) policy with the aim to attract USD 4 Bn investments. The policy will aim to make the state a hub for electric vehicles and energy storage systems and will create

• Andhra Pradesh in April 2022, got a new map with the creation of 13 new districts, taking the number of total districts in the state to 26.	employment for 120,000 people.

Source: Telangana Annual Report 2020-21, Socio-Economic Survey 2020-21

Key Industries

For Andhra Pradesh some of the key industries are Electronics, Biotechnology, pharmaceuticals, IT, Textile and leather, Tourism, Automotive and auto components, Gems & Jewellery. As for Telangana the Key industries are IT, pharmaceuticals, manufacturing sector, AI, Tourism and Agriculture. In Telangana as per the sectoral contribution the service industry has the maximum contribution of about 60% since many years.

Key Industries in Andhra Pradesh and Telangana

Key Industries in Andhra Pradesh	Key Establishments	Key Industries in Telangana	Key Establishments
Automobile and Auto components	• Andhra Pradesh has strong presence of Amara Raja group, which is India's second largest Automotive battery brand. • Andhra Pradesh has an Upcoming tyer manufacturing facility to be set up by Apollo Tyers. • The state has presence of more than 100 automotive and auto-component manufacturers. • There are planned auto clusters in Nellore and Chittoor districts. • Multiple world class Automotive Suppliers Manufacturing centers are to be set up in Andhra Pradesh.	**Artificial Intelligence and IT**	• The Govt. of Telangana works closely with diverse stakeholders such as researchers, industrialists, startups, educational institutions to craft an AI-led vision and solve big, massive problems of the state using AI. • Telangana has set an ambitious target of ensuring that AI contributes USD 5 Bn to the state's IT exports by 2025. • Telangana Academy for Skill and Knowledge along with Telangana State Council of Higher Education (TSCHE), Microsoft, and Nasscom FutureSkills, aims at skilling 1 Mn youth in Artificial Intelligence by 2021 in its March to Million Initiative for Telangana.
Electronics	• Foxconn's plant has been setup to manufacture phones of leading companies such as Xiaomi and Gionee, Asus, Oppo, Microsoft. • Sri Venkateswara mobile and electronics manufacturing hub in Tirupati houses leading Indian mobile manufacturers • Major Cities of Andhra Pradesh such as Nellore, Chittoor, Visakhapatnam, and Krishna are designated as brownfield Electronic Manufacturing Clusters (EMCs). • New Electronics Manufacturing Clusters (EMC) to be set up in Tirupati. • It is being planned that a FinTech hub will be set up in Visakhapatnam.	**Pharmaceuticals**	• Telangana state contributes nearly one-third to India's production and one-fifth to its exports in the pharmaceutical sector. • Hyderabad is considered as the Life Sciences Capital of India with over 800 life sciences companies. Over the last few years, Telangana has attracted more than USD 1.33 Bn investment in the life sciences sector. • In 2030 Telangana aims to become the leading life-sciences hub in Asia while doubling the sectoral value to USD 100 Billion and adding 400,000 new jobs.
Energy	• Andhra Pradesh is ranked No. 1 in implementation of Energy efficiency and conservation programmes as per World Bank • The state provides 24x7 quality industrial power supply, with lowest T&D losses in the country • Waste-to-energy plants are planned to be set up in 10 districts of the state. • The Govt of Andhra Pradesh is focusing on the development of	**Agriculture**	• Agriculture plays a pivotal role in the economy of Telangana and the better performance of this sector is vital for the states's growth. • Agriculture, Forestry, Livestock and Fisheries sectors' Gross Value added (Current Prices) to the state economy has seen a CAGR of 13.94% from USD 10.15 Bn in 2014-15 to USD 25.3 Bn in 2021-22 (AE) and during the same period the sector CAGR at all India level was 9.55%.

	solar energy projects/programs including Solar P V Pump Sets for Irrigation purpose in large scale in the State.		

Source: Telangana Socio-Economic Outlook 2022, Department of Industries of Andhra Pradesh, Invest Telangana

Growth Drivers for the Andhra Pradesh and Telangana

As per Andhra Pradesh's budget analysis the agriculture sector in FY 2022 was given 1.58 USD Bn and the budgeted estimates for FY 2023 is 1.79 USD Bn, which is a 15% increase. In Telangana's budget analysis the agriculture sector in FY 2022 was given 3.1 USD Bn and the budgeted estimates for FY 2023 is 3.63 USD Bn, which is a 17% increase Y-o-Y. Some of major growth factors in Andhra Pradesh & Telangana are increasing farmer's income, growing women workforce, rising industrialization, and rapid development in the agriculture sector. The growth drivers have a direct impact on the jewellery sector. Growth in farmer's income in both the states will help grow jewellery sector as rural consumers invest their savings predominantly in gold jewellery. Increase in women workforce will also give advantage to women consumers who are primary consumers of gold jewellery. Increase in income in coastal areas will lead to increase in savings which will lead to purchase of gold jewellery which is the prominent savings asset class.

IT Hub

- As of 2020 in Andhra Pradesh there are around 250 IT companies with annual turnover in the range of USD 0.14 Mn to USD 66.7 Mn. All these firms combined employ nearly 35,000 people in the state.
- Telangana Government is aggressively setting up Export Oriented Units (EOU), Software Technology Parks (STP), and Special Economic Zones (SEZ) in the state to facilitate more IT and ITeS investments into India. Telangana's IT/ITeS Exports grew at 17.93% compared to the National Average of 8.09%.
- Hyderabad is a hub for information technology (IT) industry. Many leading IT companies like Facebook, Google, IBM, and Microsoft have established strong presence in Hyderabad. Even Andhra Pradesh has many top IT companies such as Wipro, TCS, Infosys, Amazon, IBM etc. that have penetrated well in the state.
- In 2021, the Andhra Pradesh state cabinet gave its approval for the new Andhra Pradesh Information Technology Policy 2021-24, this policy is expected to generate more than 55,000 jobs and indirect employment to 0.165 Mn people over its time period. It will also set up three different IT concept cities to provide a boost to remote working.

Jewellery Sector in Andhra Pradesh and Telangana

Gems and Jewellery is one of the 14 thrust sectors under the Telangana government's industrial policy. Hyderabad is a world-renowned center for precious and semi-precious studded jewellery. The jewellery crafted in Andhra Pradesh is divided into gold and silver jewellery. The style used is Mughal and the USP of the work is its elegance and craftmanship.

In FY 2021, the total market size of Andhra Pradesh and Telangana was USD 2.0 Bn and USD 1.7 Bn respectively. While the Andhra Pradesh jewellery market is expected to grow to USD 4.6 Bn by FY 2025 at a CAGR of ~23%, the Telangana market is expected to grow to USD 3.9 Bn during the same period at a CAGR of ~23%.

Rural market in the state of Andhra Pradesh and Telangana contributes 52-55% of the total jewellery market in FY 2021 in these two states. 60-70% of the rural demand for jewellery is driven by weddings followed by the need for investment post-harvest. Presence of organised players like Vaibhav Jewellers in coastal Andhra belt gives them an exposure to agri-customer base and thus their showrooms are aligned to capture the demand coming in from the agri-income based customers.

Organized market contributed ~36% of the total jewellery market in the states of Andhra Pradesh and Telangana in FY 2021 and expected to grow to ~42% of the total market by FY 2025. The current organized market of USD 1.30 Bn in Andhra Pradesh and Telangana together is expected to grow at a CAGR of 29% to USD 3.6 Bn by FY 2025. Regional and National Brands have identified the potential of Andhra Pradesh and Telangana and have a substantial share of their store network in these locations. Regional and National players have significant presence in Tier 2 and 3 cities which are the new consumption hubs and cater to the semi urban and rural consumer.

One of the leading regional players, Vaibhav Jewellers had a market share of ~5% of the overall Andhra Pradesh and Telangana jewellery market and ~14% of the organised market in these two states in FY2021. Vaibhav jewellers who are led by first generation woman entrepreneur Ms Bharata Mallika Ratna Kumari Grandhi and daughter Grandhi Sai Keerthana, is one of the earlier entrants in the organised jewellery retail market of Andhra Pradesh and continue to focus on regional expansion into the high growth untapped regions within the micro-markets of Andhra Pradesh & Telangana. They were also the early entrants in cities like Visakhapatnam, Parvatipuram, Gajuwaka, etc. and helped in creating the market for branded jewellery in the region.

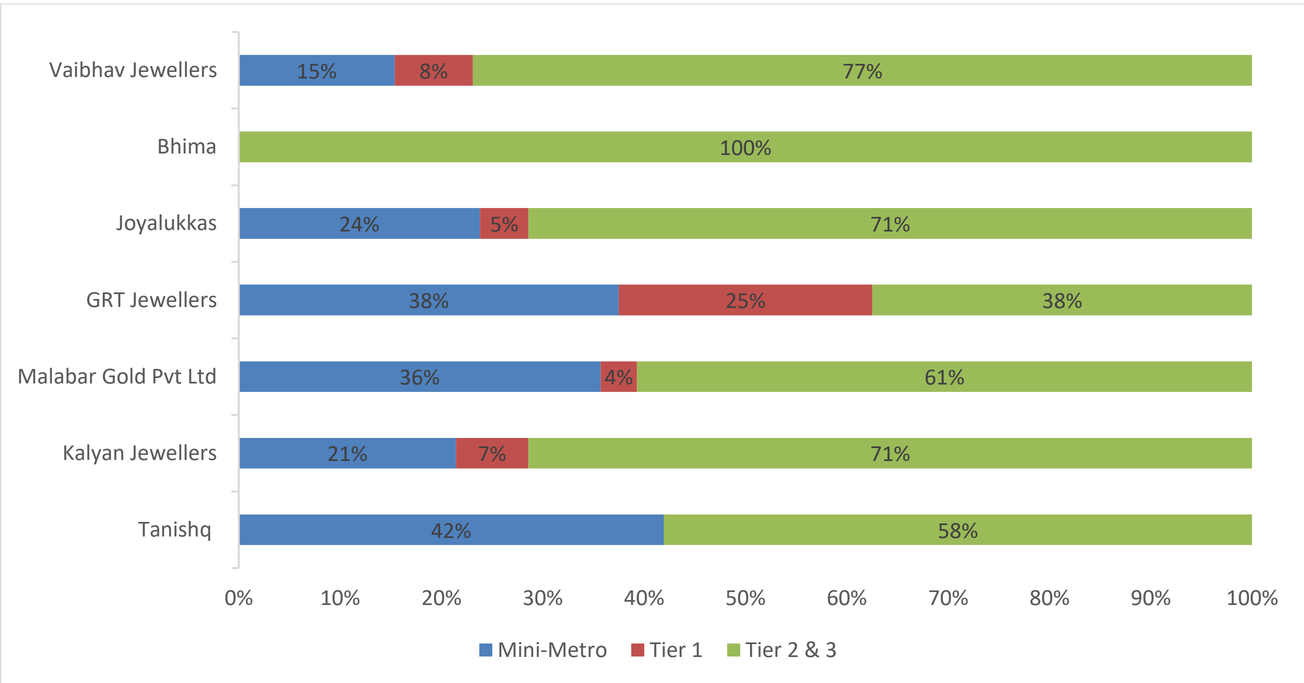
Vaibhav Jewellers follows a hub & spoke model in their region of operation with small sized showrooms operating peripheral to the larger showrooms. This allows them to offer new products to the semi urban and rural customers on a continuous basis and capture a share of the market.

Key Players in Andhra Pradesh and Telangana

Key Players	Total Store Count	Stores in Andhra Pradesh	Stores in Telangana	Stores in Kerala	Stores in Tamil Nadu	Stores in Karnataka	Share of Stores in Andhra Pradesh and Telangana
Tanishq	353	15	16	6	39	24	9%
Kalyan Jewellers	117	8	6	18	22	15	12%
Malabar Gold Pvt Ltd	135	14	14	20	18	27	21%
GRT Jewellers	53	5	3	0	39	5	15%
Joyalukkas	85	13	8	12	23	15	25%
Vaibhav Jewellers	13	11	2	0	0	0	92%
Bhima Jewellers	14	1	0	0	1	12	7%

Source: Technopak Analysis, Secondary Research, Company Website

EBO Presence across City Types in Andhra Pradesh and Telangana

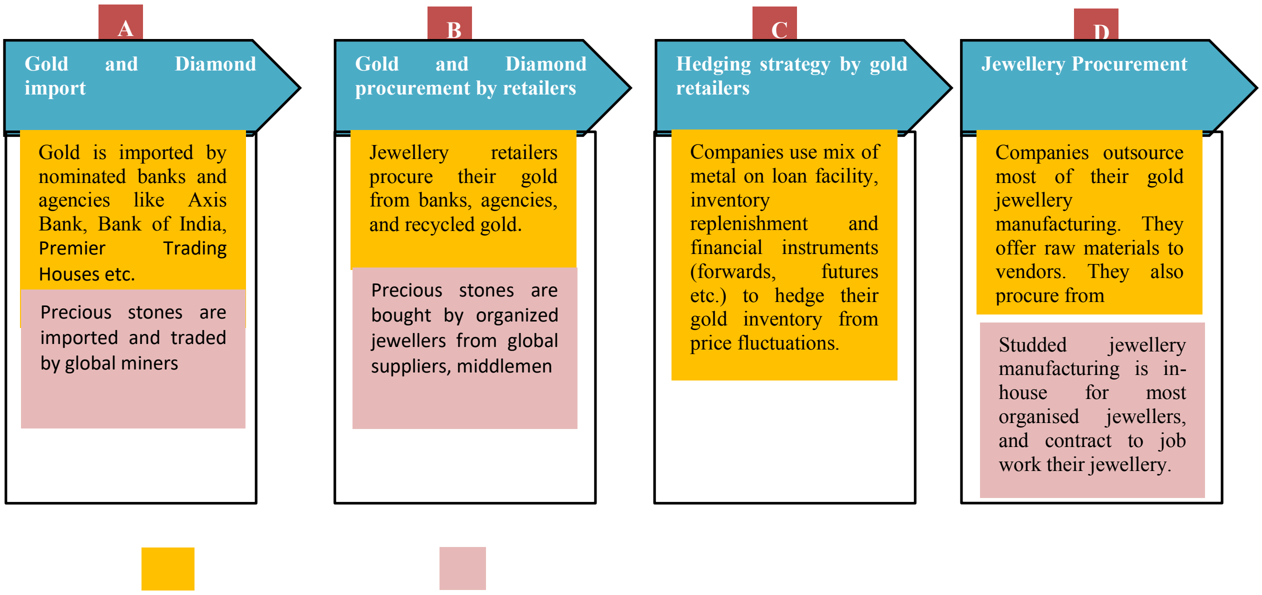


Source: Technopak Analysis, Secondary Research, Company Website
**There are no Metro cities in Andhra and Telangana*

OPERATIONS IN JEWELLERY MARKET IN INDIA

Procurement Value Chain for Organized Jewellers

Procurement Value Chain for Organized Jewellers in India



Indicates Gold　　　　*Indicates Diamond/ Studded Jewellery*

Source: Secondary Research, Technopak Analysis, Primary Research

Marketing approaches of Organized Jewellery retailers in India

The marketing approach adopted in recent times has been aimed at achieving following objectives:
- To position organized jewellers as a trusted destination on quality, price, and transparency
- To amplify bridal wear jewellery positioning
- To subtly induce demand for diamond/ studded jewellery

Jewellery retailers have uniformly adopted a two-pronged marketing approach to achieve these objectives
I. **Brand Building Initiatives:** Jewellers undertake these marketing approaches primarily to build brand equity in the minds of consumers. It involves digital marketing, TVCs, celebrity endorsements, movie-tie ups etc.
II. **Tactical Initiatives for a short-term objective**: Tactical marketing approaches are primarily aimed to generate short term demand and / or to leverage an event for publicity. It involves radio campaigns, promotional advertisements, activations for local demand generation etc.

National Marketing Approach

Marketing Approaches for Brand Building

- **Television** – it is most expensive medium, but it also offers the largest audience reach. National level Jewellery chains use this medium both to build basic customer awareness and to announce upcoming promotions regarding new products and schemes to cater to cyclical demand. They run their ads during the various occasions and festivals showcasing the various schemes and product range offered by them.
- **Celebrity Endorsement:** Popular celebrity endorsements are the mainstay of brand building for Jewellery Retailers in India. Most jewellery chains and online jewellers opt to rope in celebrity ambassadors in line with their price positioning, regional versus national focus, fashion versus bridal & daily wear offering. Brand display star power for their store opening.

Celebrity brand ambassadors

Brand	Brand Ambassador(s) past and present
Tanishq	Deepika Padukone, Nayanthara

Kalyan Jewellers	Amitabh Bachchan, Jaya Bachchan, Shweta Bachchan-Nanda, Katrina Kaif, Akkaineni Nagarjuna, Prabhu Ganesan, Manju Warrier, Shiva Rajkumar, Wamiqa Gabbi, Pooja Sawant, Ritabhari Chakraborty
Joyalukkas	Kajol, Kangana Ranaut, Meera Jasmine, Bhoomika Chawla, Madhavan, Shreya Ghoshal, Suresh Gopi, Kiccha Sudeep, Allu Arjun, Hrithik Roshan
Malabar Gold & Diamonds	Kareena Kapoor, Dulquer Salmaan, Tamannaah Bhatia, Mohanlal, Suriya Sivakumar
Khazana Jewellery	Kajal Agarwal, Rashmika Mandanna
Senco Gold	Sourav Ganguly, Vidya Balan, Dutee Chand
Tribhovandas Bhimji Zaveri	Sara Ali Khan
Vaibhav Jewellers*	Rakul Preet Singh, Kajal Agarwal, Priya Anand

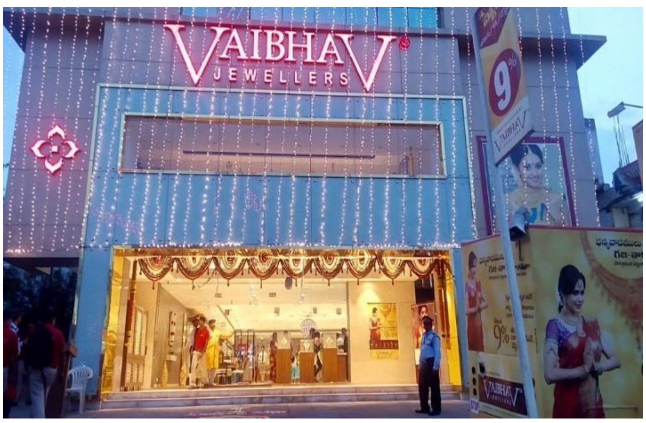
Source: Primary Research, Secondary Research, Company Website; The list captures key brands ambassadors and is not exhaustive.
Note: ex-Brand Ambassador*

- **Print media like Newspapers & Magazines** – This channel is used by many jewellery brands usually to inform customers about upcoming promotions and announce offers around festivals and wedding seasons.
- **Movie Tie-ups/Corporate Tie-ups** – This channel is used by jewellery chains to promote their brand and allow customers to associate their brand with heritage, artistry, and quality of craftsmanship. For ex: Deepika Padukone is seen promoting Tanishq jeweller in the movie, Padmavat. Tribhovandas Bhimji Zaveri associated with Dharma Production for the movie, Kalank.

Tactical Marketing Approaches for Short Term Demand

- **Radio** – Some jewellery brands use popular radio stations like Radio Mirchi & Radio City in India to inform customers about their brand. For ex: Tanishq created a series of radio advertisements on Radio Sharda 90.4 FM.
- **New store launches** – Most jewellery chains hire a celebrity ambassador to launch a new store. This allows them to generate a buzz and the initiative has proven to be an inexpensive publicity vehicle. For ex: Vaibhav Jewellers bring their brand ambassadors for inauguration of their flagship showrooms. Such events create immediate buzz around the city regarding store opening. In 2007, Vaibhav Jewellers launched V Square, its flagship store which is one of the largest in Visakhapatnam with approximately 30,000 sq.ft jewellery retail space and is one of India's largest ISO certified jewellery showroom. Each floor of the store is dedicated to showcase various jewellery ranges, exclusive silver furniture & gifting solutions.

Store launch event

Source: Secondary Research

- **Special promotions** – Jewellery chains use their personnel to educate and entice customers to make further purchases, usually at the point of sales.

- **Special events** – Often various jewellery chains hold unique events to build brand awareness and promote their jewellery range. For ex: To promote Gold Plus (Tanishq), a TATA Nano car was adorned with gold that emphasized 5000 years of Indian jewellery making tradition. This car travelled across 30 cities promoting Goldplus (Tanishq).
- **In-store and mall activations** – Jewellery chains utilize this channel primarily for educating consumers about their brand and products. Some jewellery stores try to bring an experiential factor by persuading customers to try out their jewellery.
- **Research & Marketing Activities –** Regional players like Vaibhav Jewellers to protect their brand and brand image. They don't open or launch any new store unless they confident of gaining a strong revenue traction for the next 5 years. With a strong in-house market mapping team that does research & catchment area study for almost 6 – 8 months before a store is planned. Subsequent, to the planning of the store, the GTM marketing activities are being conducted before a store is launched. The GTM activities are carried for a period of 60 to 75 days which will help to pull in a larger audience to the showroom on the launch date as well as subsequent sales.

Digital Marketing Activities

Jewellery chains are increasingly using social media websites like Facebook, Instagram and Twitter along with other mediums like advertisement on You tube and other websites to target millennial customers. Brands actively use browser data for retargeting customers through search engines and social media sites.

Established brands like PC Jewellers, Joyaukkas, Tanishq, Malabar and online focused brands like Caratlane and BlueStone have high social media presence on Facebook, the primary digital marketing channel. Tanishq, Kalyan, Joyalukkas and Caratlane are the most popular brands across all social-media channels. Social media platforms, display networks advertisements, YouTube and Google advertisements are being extensively used for promotions. It helps brands to micro-segment the consumers and use data analytics to target them optimally.

Regional Marketing approach

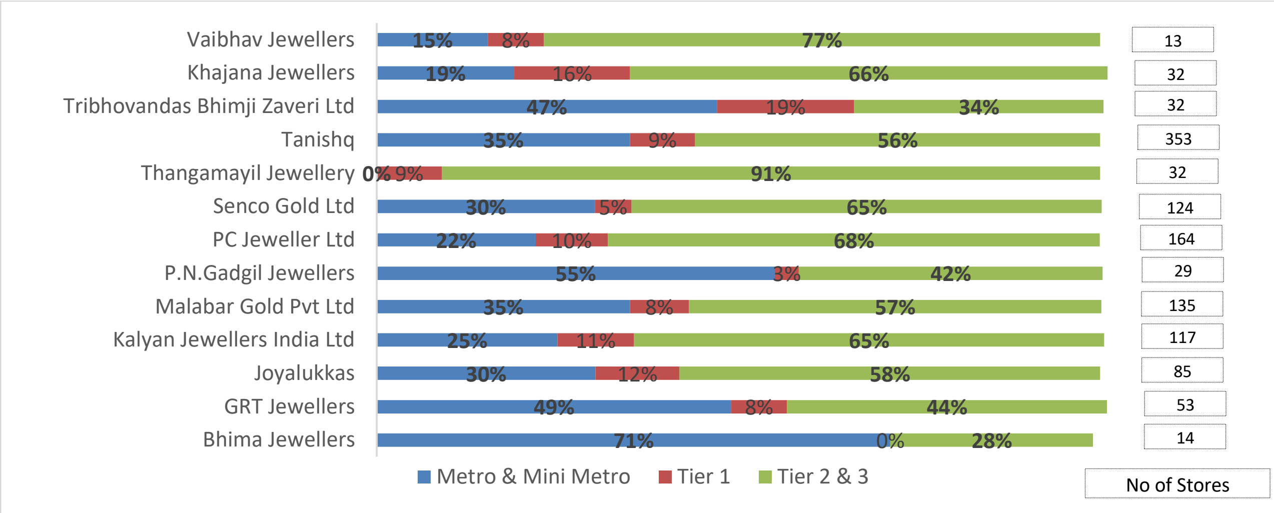
- **Television** –Regional players given their regional focus primarily opt for vernacular regional channels to optimize their marketing expenditure. For instance, Senco Gold & Diamonds rolls out television advertisements only in the East region, where it is most dominant. TV advertisements are themed around family bonds like Father-daughter, Husband-wife, mother-daughter and more and shot in the backdrop of weddings, festivals and special occasions.
- **Exhibitions** – The objective of exhibitions is to reach out to the areas and customers in district or rural level and offer them product and services to promote brand image, increase the awareness of the brand, and introduce new products and design specific to the regional market. Regional player Vaibhav jewellers who positioned themselves as 'Relationship by Design' connect with target groups through exhibitions to understand the taste and preference of the customers.
- **Regional Campaigns** – To reach out to the untapped areas like villages and other identified locations and run campaign to create awareness, showcasing the product and services through regional influences like Panchayat head and other influential people who can help direct the sales towards regional organized players.
- **Door to Door activities by BTL teams** – This helps the regional players to reach directly to the customers and build long term relationships and influence the customer to buy products from the player. Regional players like Vaibhav jewellers do street campaigns through a unique idea of knowing the customers in and around the street and personally offer product and services which give assurance in conversion of sales. Also, during any new product or store launches the team targets the location where they meet the customers with various promotional materials like catalogues, flyers, calendars to convey the message of the campaign.

COMPETITIVE LANDSCAPE

Region & City Type wise Presence of Exclusive Brand Outlets (EBOs)

Top brands are well entrenched in the top 8 cities (Metro and Mini-Metros) in the country. However, a look at the store footprint shows that the count of stores is higher in Tier 2 and Tier 3 cities as compared to Metros and Mini-Metros. This is in line with the consumption pattern of jewellery in India. Brands like Thangamayil Jewellery have over 90% outlets in Tier 2 and Tier 3 cities. Market leader Tanishq has more than 50% of its stores in Tier 2 and Tier 3 cities against only a third of the stores in the top 8 cities. The store location along with city profile is also reflection of the origin of the jewellery chain which are predominantly family-owned businesses started with limited number of stores expanding to drive growth.

EBO Presence across City Types



Source: Secondary sources, Store locator of brands, Technopak Analysis
Metros & Mini-Metro: Delhi NCR & Greater Mumbai, Bangalore, Kolkata, Chennai, Hyderabad, Ahmedabad, and Pune
Tier 1 Cities: Cities with a population in the range of 1 to 5 million
Tier 2 & 3 Cities: Cities with a population less than 1 million
EBO: Exclusive Brand Outlets.

List of Manoj Vaibhav Showrooms –
Metro & Mini-Metro – Hyderabad (Dilshuknagar, ASRaonagar)
Tier 1 Cities – Vishakhapatnam
Tier 2 & 3 Cities – Rajamundry, Kakinada, Gajuwaka, Parvathipuram, Bobbili, Anakapalle, Gopalapatnam, Srikakulam, Vizianagram

EBO Presence across Regions

Source: Secondary sources, Store locator of brands, Technopak Analysis
EBO: Exclusive Brand Outlets.

Typical Store Size

The Jewellery market has average store size ranging from 1800 to 8500 square feet. GRT has the highest average store size, but number of stores compared to key jewellery players are marginally low.

Average store size in Sq. Ft.

Company	Avg Store Size (Sq Ft)
GRT	8500
Joyalukkas	5000
Kalyan Jewellers India Ltd	6500
Malabar Gold Pvt Ltd	5500
P.N. Gadgil Jewellers	4000
PC Jeweller Ltd	4500
Senco Gold Ltd	2500
Thangamayil Jewellery	1800
Titan Company Ltd (Tanishq)	4200
Tribhovandas Bhimji Zaveri Ltd	3000
Manoj Vaibhav Gems 'N' Jewellers Limited (Vaibhav Jewellers)	7710

Source: Secondary Sources, Technopak Analysis.

Financial Metrics

Revenue

Revenue registered in FY 2019 and FY 2021 indicate that most of the players like Kalyan Jewellers, PC Jewellers, Tribhovandas Bhimji Jewellers have witnessed degrowth. However, some brands like P. N. Gadgil Jewellers, and Titan Company Ltd (Tanishq) have witnessed marginal revenue growth. Vaibhav Jewellers witnessed one of the highest growths in revenue from FY2019-21. The overall Jewellery market in India witnessed a degrowth in FY 2021 owing to the impact of COVID 19.

Revenue per store or per square ft quantifies efficiency of the store or retail outlet. High revenue from operations with limited number showrooms results into highest revenue per store and revenue per square ft for Vaibhav Jewellers.

Revenue Per Store and Per Sr. ft. for FY 2022

Company	Revenue Per Store (Cr)	Revenue per Sq. Ft. (INR)/per day
Joyalukkas*	90-100	520-530
Kalyan Jewellers India Ltd	70-80	320-330
P.N. Gadgil Jewellers	190-200	1330-1340
PC Jeweller Ltd	10-20	50-60
Thangamayil Jewellery	40-50	640-650
Titan Company Ltd (Tanishq)	70-80	450-460
Tribhovandas Bhimji Zaveri Ltd	50-60	540-550
Manoj Vaibhav Gems 'N' Jewellers Limited (Vaibhav Jewellers)	140-150	500-510

Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports
**- FY 2021 data has been used for Joyalukkas due to unavailability of FY 2022 data*
Note: 1 year = 365 days

Margins

EBITDA Margins

Company	EBITDA			
	FY 2019	FY 2020	FY 2021	FY 2022
GRT Jewellers	5.0%	4.9%	NA	NA
Joyalukkas	7.0%	9.7%	11.4%	NA
Kalyan Jewellers India Ltd	4.4%	8.1%	8.5%	7.6%

Malabar Gold Pvt Ltd	2.2%	3.4%	NA	NA
P.N. Gadgil Jewellers	6.1%	6.0%	10.1%	3.1%
PC Jeweller Ltd	3.2%	9.1%	15.0%	-6.6%
Senco Gold Ltd	7.0%	8.9%	6.6%	NA
Thangamayil Jewellery	4.9%	5.8%	8.1%	3.9%
Titan Company Ltd (Tanishq)	10.1%	12.1%	7.6%	11.9%
Tribhovandas Bhimji Zaveri Ltd	4.5%	6.5%	10.0%	4.4%
Manoj Vaibhav Gems 'N' Jewellers Limited (Vaibhav Jewellers)	7.1%	6.8%	6.3%	6.4%

Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports.
FY 2021 and FY 2022 data not available for some of the players
EBITDA Margin = EBITDA/Revenue, NA: Not Available
EBIDTA includes other income as well for Manoj Vaibhav Gems 'N' Jewellers Limited (Vaibhav Jewellers)

EBITDA Per Store and Per Sr. ft. for FY 2022

Company	EBITDA Per Store (Cr)	EBITDA per Sq Ft (INR)
Joyalukkas*	10.8	21,677
Kalyan Jewellers India Ltd	5.9	9,093
P.N. Gadgil Jewellers	6.1	15,302
PC Jeweller Ltd	2.4	5,434
Thangamayil Jewellery	1.7	9,209
Titan Company Ltd (Tanishq)	8.3	19,758
Tribhovandas Bhimji Zaveri Ltd	2.6	8,663
Manoj Vaibhav Gems 'N' Jewellers Limited (Vaibhav Jewellers)	9.1	11,753

Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue Annual Reports
**- FY 2021 data has been used for Joyalukkas due to unavailability of FY 2022 data*
EBIDTA includes other income as well for Manoj Vaibhav Gems 'N' Jewellers Limited (Vaibhav Jewellers)

PAT Margins

Company	PAT Margin			
	FY 2019	FY 2020	FY 2021	FY 2022
GRT Jewellers	2.4%	2.6%	NA	NA
Joyalukkas	1.7%	0.5%	5.8%	NA
Kalyan Jewellers India Ltd	0.7%	2.0%	1.9%	2.4%
Malabar Gold Pvt Ltd	1.6%	2.7%	NA	NA
P.N. Gadgil Jewellers	3.2%	3.1%	6.3%	1.8%
PC Jeweller Ltd	0.0%	1.6%	2.3%	-24.8%
Senco Gold Ltd	2.9%	3.8%	2.3%	NA
Thangamayil Jewellery	2.1%	2.7%	4.8%	1.8%
Titan Company Ltd (Tanishq)	7.2%	7.6%	4.3%	8.0%
Tribhovandas Bhimji Zaveri Ltd	0.9%	1.2%	3.2%	0.9%
Manoj Vaibhav Gems 'N' Jewellers Limited (Vaibhav Jewellers)	2.5%	1.9%	2.2%	2.6%

Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports.
FY 2021 and FY 2022 data not available for some of the players; NA=Not Available; PAT Margin = PAT/Revenue
PAT includes Exceptional Items

Return on Capital Employed

ROCE (Return on capital employed) indicates the company's efficiency because it measures the company's profitability after factoring in the capital that has been used to achieve that profitability. ROCE is a better gauge for the performance or profitability of the company over long periods. Vaibhav Jewellers has improving return on capital employed from 2019 to 2022.

Return on capital employed

Company	ROCE			
	FY 2019	FY 2020	FY 2021	FY 2022
GRT Jewellers	30.10%	25.50%	NA	NA
Joyalukkas	42.00%	35.72%	34.13%	NA
Kalyan Jewellers India Ltd	10.40%	15.70%	12.30%	13.30%
Malabar Gold Pvt Ltd	26.00%	30.90%	NA	NA
P.N. Gadgil Jewellers	58.20%	40.00%	49.90%	28.22%
PC Jeweller Ltd	6.28%	10.00%	8.41%	-3.29%
Senco Gold Ltd	26.40%	26.34%	18.36%	NA
Thangamayil Jewellery	27.09%	30.84%	37.37%	17.40%
Titan Company Ltd (Tanishq)	28.50%	26.54%	14.23%	27.24%
Tribhovandas Bhimji Zaveri Ltd	14.08%	15.17%	18.19%	9.68%
Manoj Vaibhav Gems 'N' Jewellers Limited (Vaibhav Jewellers)	35.11%	26.14%	22.18%	24.96%

Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports.
FY 2021 and FY 2022 data not available for some of the players; NA =Not Available; ROCE = EBIT/ (Total Assets – Current Liabilities)

Promotional Expenses as a % of Revenue

Company	Promotional Expenses as % Revenue			
	FY 2019	FY 2020	FY 2021	FY 2022
GRT Jewellers	0.83%	0.80%	NA	NA
Joyalukkas	1.70%	1.36%	0.63%	NA
Kalyan Jewellers India Ltd	2.71%	2.53%	1.35%	1.46%
Malabar Gold Pvt Ltd	0.39%	0.32%	NA	NA
P.N. Gadgil Jewellers	1.04%	0.88%	0.35%	0.26%
PC Jeweller Ltd	0.27%	0.28%	0.16%	NA
Senco Gold Ltd	1.72%	2.13%	0.98%	NA
Thangamayil Jewellery	0.67%	0.51%	0.75%	1.11%
Titan Company Ltd (Tanishq)	2.74%	2.38%	1.13%	1.74%
Tribhovandas Bhimji Zaveri Ltd	NA	NA	NA	NA
Manoj Vaibhav Gems 'N' Jewellers Limited (Vaibhav Jewellers)	1.08%	0.63%	0.23%	0.35%

Source: Annual Reports, Secondary Research, Technopak Analysis, Revenue for standalone businesses from MCA reports.
FY 2021 and FY2022 data not available for some of the players; NA =Not Available; Promotional Expenses (%) = Ads Spent/ Revenue

REGULATORY ENVIRONMENT

Goods and Services Tax (GST)

- Since its launch on July 1, 2017, GST has replaced several indirect taxes and duties levied by the Central and State governments with three types of GST, that is, central GST ("CGST"), state GST ("SGST") and inter-state GST ("IGST"). It has created a uniform national market. Prior to GST, taxes on gold included customs duty of 10%, Excise duty of 1% and value-added tax of 1.2% in most states in India. Currently, taxes on gold include customs duty of 7.5%, agriculture infrastructure development cess of 2.5% and GST of 3%.
- Inter-state stock transfer is taxable under IGST, and the tax can be reclaimed after goods are sold. It puts strain on the working capital of the retailers.
- IGST also applicable to small business and artisans with turnover less than INR 2M subcontracting for larger manufacturers from another state. It has increased their cost of doing businesses.

- However, GST supports firms operating in SEZs. It allows them to get goods from the domestic tariff area (DTA) or from abroad without paying IGST with a fast tax refund process (Govt. claiming to refund 90% of claims from firms in the DTA within 6-10 days).
- It has increased the cost of compliance for unorganised jewellery retailers.

Demonetization

On 8th November 2016, Govt. of India announced Demonetization of INR 500 and INR 1,000 currency notes of Mahatma Gandhi series that accounted for ~86% of total currency value. This step was taken to curtail shadow economy and use of counterfeit cash to fund illegal activities such as terrorism. This measure had temporarily led to a cash shortage in economy and has boosted digital mode of payment and cashless economy.

- Demonetization helped organized players to penetrate the wedding market and the high-value jewellery segment by capturing market share of unorganized players, who operated mainly in cash thereby creating a level playing field.
- It led to adoption of plastic/digital money in jewellery sector. The adoption of the cashless transaction has brought in transparency and efficiency in the sector. It pushed unorganized players to adopt cashless mode of payment.
- The cashless mode of payment has resulted in adherence of regulatory compliance by unorganised retailers. This levels the playing field and to some extent favours organised retailers as they were already bearing the cost of regulatory compliance, while it increased the cost of doing business for unorganised retailers.

KYC Compliance

The Indian government introduced a requirement for a PAN card to purchase jewellery worth INR 200,000 and above (earlier, the threshold was INR 500,000 and above) from January 1, 2016, onwards. This requirement removes the advantage of unorganized retailers who have a predominantly cash-based business model for which transactions are largely untraceable from a compliance perspective. In addition, organized retailers are better equipped to handle the processes associated with the PAN card requirement.

- Cash purchase of jewellery exceeding INR 2 Lakhs will attract 1% Tax Collected at Source against the earlier threshold of INR 5 lakhs. Jewellery was to be clubbed in general goods on which 1% TCS is to be triggered if a single transaction exceeds the limit.

- In August 2017, the Union government brought jewellery dealers (Annual turnover> INR 2 Cr) under the Prevention of Money Laundering Act (PMLA) and further removed them in October 2017.

- Under the GST notification on gems and jewellery in August 2016, the customers were required to present their KYC details on the purchase of worth INR 50,000 and above. However, this was also rolled back.

Hallmarking

Government of India took cognizance of the need for protecting consumers. A mandate was, therefore, given to Reserve Bank of India (RBI) Standing Committee on Gold and Precious Metals to look into the issues relating to Standardization of Gold products and introduction of Gold Hallmarking in the country. The Committee identified Bureau of Indian Standards (BIS) in the year 2000 as the sole agency to operate the Hallmarking Scheme in India, and entrusted BIS with the task of implementing hallmarking scheme to protect the consumer against cheating, develop export competitiveness and make India a leading market for gold jewellery in the world. The Scheme for Hallmarking of Silver articles was launched later in 2005.

Hallmarking is the accurate determination and official recording of the proportionate content of precious metal in the jewellery/artefacts or bullion/coins. The Central Government, in consultation with the Bureau of Indian standards(BIS), in the public interest, passed the Hallmarking of Gold Jewellery and Gold Artefacts Order, 2020 which came into force with effect from the 16th day of June, 2021 for compulsory selling of precious metals articles of gold marked with Hallmark through certified sales outlets after fulfilling the terms and conditions of certificate of registration as specified in regulation 5 of the Bureau of Indian Standards (Hallmarking) Regulations, 2018.

The regulatory framework is evolving to ensure customers get fair value for their money.

- Robust hallmarking system reduces leakage, enhances jewellery export and monetization of gold.

- India has over 800 assaying and hallmarking centres and ~6.5% *(26,000 out of 4 lakh)* of all jewellers in India have BIS hallmarking licenses.
- There are more than 30 regulated NABL/BIS approved gold refineries, operating in domestic markets.
- Currently, BIS hallmarking is available in three grades: 14 carat, 18 carat and 22 carat. However, the Bureau of Indian Standards (BIS) is working to establish hallmarking standards for jewellery made from 24 carat gold.
- Hallmarking of gold jewellery is done by BIS recognized assaying & hallmarking centres. Its costs INR 35 plus taxes per article.
- Organised players like Joyalukkas, Tanishq, TBZ etc., were voluntarily offering hallmarked jewellery to improve consumer appeal and transparency.
- The hallmarking system grapples with challenges of depth and breadth of penetration, economic viability of hallmarking centres, lack of standardization of process across centres and more.
- BIS released Indian standards on the quality parameters and grading of the polished diamonds at par with gem testing laboratories like Gemmological Institute of America (GIA) in 2008. Many foreign gemmological institutes have set up their offices in Mumbai, Surat and Delhi for certifying diamond jewellery as per international norms. Diamonds are graded on clarity, colour, cut and carat weight (4Cs).

A hallmark is made up of 4 details:

Illustrative symbols for gold jewellery hallmarking

BIS Mark		BIS Standard Mark
Purity of Gold	**22K916**	Purity in carat and fineness for gold
Hallmarking Unique ID or HUID	**AAA111**	Six-digit Alphanumeric code which will be unique for every jewellery article

Sources: Secondary Research

FDI Norms

The Government of India allows 100% foreign direct investment in the jewellery sector under the automatic route.

OUR BUSINESS

Unless otherwise stated, all financial information of our Company used in this section has been derived from our Restated Financial Information. Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section entitled 'Forward-Looking Statements' beginning on page 21 for a discussion of the risks and uncertainties related to those statements, and the section entitled 'Risk Factors' beginning on page 32 for a discussion of certain risks that may affect our business, financial condition, or results of operations. We have, in this Draft Red Herring Prospectus, also 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 Auditor. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates underlying, and used in such calculation, may vary from that used by other similarly placed companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and are cautioned that they 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 Draft Red Herring Prospectus.

Unless otherwise indicated, industry and market data used in this section has been derived from a report entitled 'Independent Market Report – Indian Jewellery Retail Industry Report dated August 31, 2022, by Technopak Advisors Private Limited commissioned and paid for by our Company. Unless otherwise indicated, all industry and other related information derived from the Technopak Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Overview

We, Vaibhav Jewellers, are a leading regional jewellery brand in South India led by a first generation woman entrepreneur Mrs. Bharata Mallika Ratna Kumari Grandhi along with her daughter Grandhi Sai Keerthana *(Source: Technopak Report).* We are a hyperlocal jewellery retail chain with presence in the micro markets of Andhra Pradesh & Telangana with 13 showrooms (inclusive of two franchisee showrooms) across 8 towns and 2 cities. We have a market share of ~5% of the overall Andhra Pradesh and Telangana jewellery market and ~14% of the organised market in these two states in FY2021, as per the Technopak Report. We were one of the earlier entrants in the organised jewellery retail market of Andhra Pradesh and continue to focus on regional expansion into the high growth untapped regions within the micro-markets of Andhra Pradesh & Telangana thereby creating a market for branded jewellery in the area of our operations. The Indian Jewellery Market is expected to reach a value of USD 92 Bn by FY 2025, growing at a CAGR of 15% over the next 3 years on account of the growing economy and rising disposable income, increasing consumer demand for gold, growth in gold prices and rising demand for other categories like diamonds, other precious stones and costume jewellery (*Source: Technopak Report*). In FY 2021, the total market size of Andhra Pradesh and Telangana was USD 2.0 Bn and USD 1.7 Bn respectively. While the Andhra Pradesh jewellery market is expected to grow to USD 4.6 Bn by FY 2025 at a CAGR of ~23%, the Telangana market is expected to grow to USD 3.9 Bn during the same period at a CAGR of ~23% *(Source: Technopak Report)*.

We cater to all economic segments of the micro markets of Andhra Pradesh and Telangana through our dedicated branded showrooms and have a strong rural market focus and a dedicated urban focus also. We have positioned ourselves as a retailer focussed on 'Relationships, by Design' where we focus on offering designs, high quality, transparency and customer service to our customers. We connect with target groups through exhibitions to understand the taste and preference of the customers through our "Go to Marketing Strategy". Rural markets have a larger pie of the retail jewellery market and the inelasticity of rural demand for gold offers large potential for growth. 77% of our retail showrooms are in Tier 2 and Tier 3 cities catering to the semi urban and rural demand of Andhra Pradesh and Telangana. The remaining 15% of our retail showroom are located in Mini Metro city of Hyderabad and 8% of our showroom is located in Tier 1 city of Visakhapatnam catering to the urban consumers. We follow a hub & spoke model with small sized showrooms operating peripheral to the larger showrooms. This allows us to offer new products to the semi urban and rural customers on a continuous basis and capture a share of that market. Rural market in the state of Andhra Pradesh and Telangana contributes 52-55% of the total jewellery market in FY 2021 in these two states *(Source: Technopak Report)*.

We were established by our founder, Late Mr. Manoj Kumar Grandhi, with a vision to introduce organised jewellery retail play in the markets that we operate in. We started our jewellery business as a proprietorship concern in the year 1994 from our first retail showroom in Vishakapatnam. In 2007 we launched V Square, our flagship showroom, which is one of the largest in Visakhapatnam with 29,946 sq.ft jewellery retail space and is one of India's largest ISO certified jewellery showroom. We are expanding our presence in Andhra Pradesh and Telangana simultaneously, thereby enabling us to capture demand and meet the taste of the population of both the states. Presence in coastal Andhra belt gives us an exposure to agri-customer base and thus our showrooms are aligned to capture the demand coming in from such customers. We have developed goodwill with our presence of over 28 years in the markets that we operate. Our brand, Vaibhav Jewellers, is a known name in Andhra Pradesh & Telangana with a loyal customer base. Each of our showroom houses varied exquisite and large inventory of designs across wide range of products in Gold, Diamond, Gems, Platinum & Silver Jewellery and / or articles.

We believe in building relationship based connects with customers. In order to do so, we undertake numerous activities / campaigns / promotional events to be in touch with our customers. The focus is to have a one-on-one connect with each of our customers. We undertake activities like focused group discussions for educating customers; exhibitions to showcase new collections, draw footfalls and increase brand awareness; village campaigns for making deeper customer connects & spread awareness and door-to-door activities for direct selling. We also have a marriage cell that has database of the marriage ecosystem basis which the Company would invite the couple and their families for jewellery purchase for the occasion. The Company focuses highly on these activities and is successful in effective direct selling and thus attracting different genre of customers including high end customers.

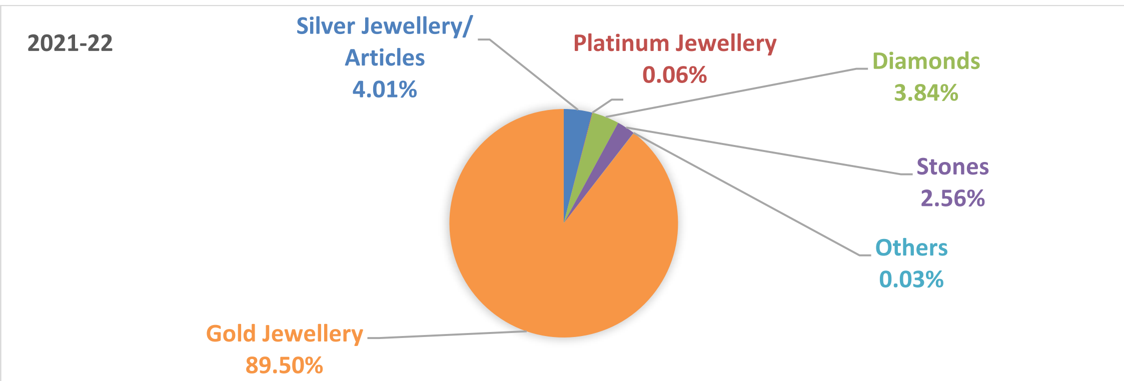
We have designed and developed a website – www.vaibhavjewellers.com, for our online sales in addition to other online market places. Our website can be easily navigated and is user friendly for online shopping, enquiries, live videos shopping options. It serves as a strong starting point to display of our varied collection and to push online sales that would transcend beyond southern boundaries and make a strong case for pushing the brand to other micro-markets as well as states. The e-commerce initiative of the company also enables it to reach out to its global customer base located at various locations. Further, the e-commerce is directly linked to the retail showroom which enables direct selling via augmented reality and video conferencing.

We procure jewellery on an outright basis from our list of suppliers as well as we supply bullion to job workers for creating varied designs of jewelleries as per our specifications. We sell a wide range of gold, silver, diamond jewellery and precious gemstones and other jewellery products with wide collection of designs to meet the needs of all types of customers on all occasions throughout the year including festivals, weddings, special days such as Akshaya Tritiya and all other festive occasions.

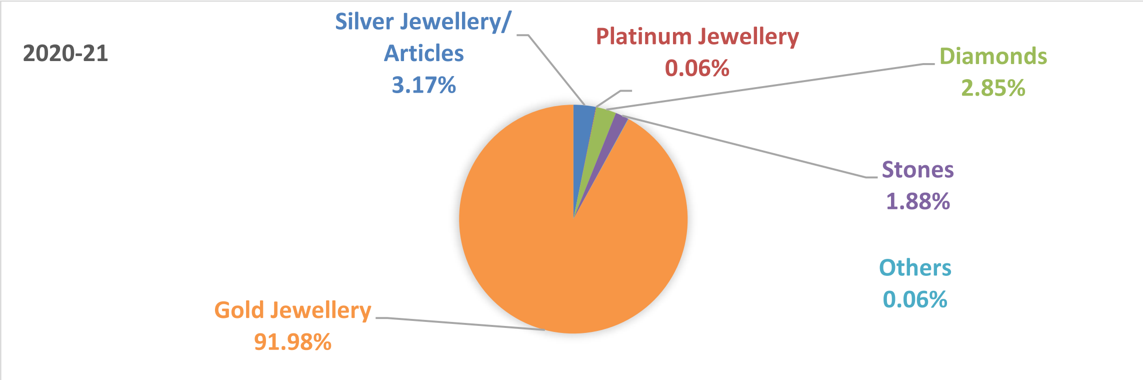
In Financial Year 2022, our revenue from operations was ₹ 16,939.19 million. Our revenue per retail showroom for FY2022 was ₹1411.60 million and EBITDA per retail showroom was ₹87.47 million. We have consciously expanded our presence into the micro-markets periodically adding new retail showrooms in Tier 2 and Tier 3 cities. Our total retail showrooms have increased from 3 showrooms as of March 31, 2015 to 13 showrooms (inclusive of two franchisee showrooms) as of August 15, 2022, and we intend to continue to open new retail showrooms as we expect significant opportunity for further penetration in our existing markets as well as in new markets, primarily in Andra Pradesh and Telangana.

Our revenues have grown at a CAGR of 15.08% from FY2020 till FY2022. The product-wise revenue breakup is as for the past 3 fiscal is as follows:

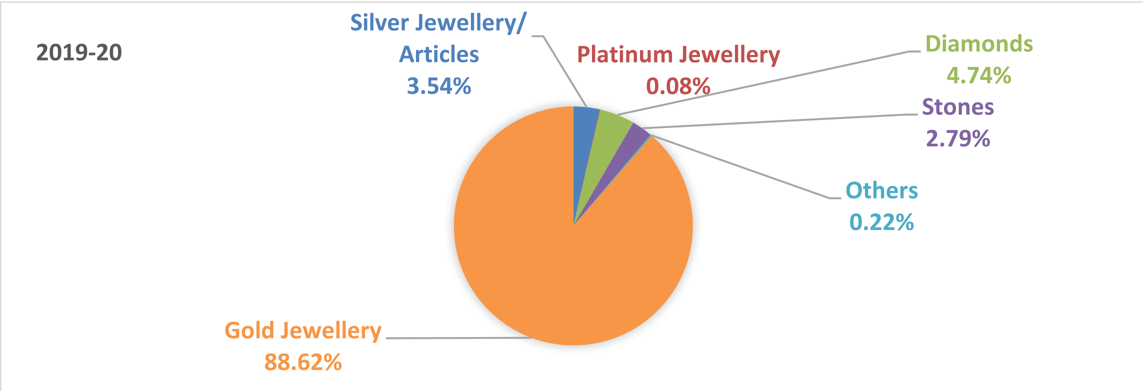
FY – 2021-22



FY – 2020-2021



FY 2019-2020



Our operating model, retail showroom format and market focus enable us to sell gold & studded jewellery across markets with varied customer purchasing power. Our understanding of the demands, likes & dislikes and preferences of jewellery of the local customer is the key contributor to our revenues and operational performance. Following are the key financial indicators of our performance for the past three financial years.

(in ₹ millions)

Particulars	**FY2022**	**FY2021**	**FY2020**	**CAGR %**
Revenue from Operations	16,939.19	14,335.69	12,791.30	15.08%
EBITDA	1,049.59	695.51	821.68	13.02%
EBITDA Margin	6.20%	4.85%	6.42%	-1.79%
PAT	436.79	207.37	243.86	33.83%
PAT Margin	2.58%	1.45%	1.91%	16.30%
RoE	17.41%	9.49%	12.44%	18.28%
RoCE	13.77%	10.54%	13.54%	0.85%

Notes:
1. *EBITDA is calculated as sum of profit before tax, depreciation and amortization expense, finance costs less other income, as restated.*
2. *EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations, as restated.*
3. *PAT margin means profit for the year divided by Revenue from operations, as restated.*

4. *Return on Equity (ROE) is calculated as profit for the year divided by average equity, as restated.*
5. *Return on Capital Employed (ROCE) is calculated as sum of profit for the year, finance costs and tax expenses divided by Capital Employed where Capital Employed is sum of Tangible Net Worth, Total Debt and Deferred Tax Liability, as restated*

Our Strengths

Key leading home-grown regional brand built on hyperlocal retail strategy

We are concentrated in the micro markets of Andhra Pradesh and Telangana over a period of almost three decades. Given our track record in these micro markets, we understand the sentiments and preferences of the local customers. The Indian jewellery industry has largely been unorganised and fragmented, comprising more than 500,000 local goldsmiths and jewellers, as per the Technopak Report. Localisation and introduction of organised retail play to cater to the needs of the people of Andhra Pradesh and Telangana have been critical positive factor for us along with transparency and trust factor. Based on these we have been able to build our brand and business.

We believe that our customers relate to our brand presence and products due to our wide array of localized product offering. Vaibhav Jewellers is one the first organized jewellery chain from Andhra Pradesh to expand its presence to Telangana. The Company is expanding its presence in Andhra Pradesh and Telangana simultaneously. This will enable to capture the demand and meet the taste of the population of both the states (*Source: Technopak Report*).

Our brand building is also based on the long-standing relationship that we have built over the years with our suppliers and job workers, many of whom have been dealing with us for over the last 15 years. Such long standing relationships have ensured that we cater to our customers local preferences with quality, variety and at competitive prices. We continue to add new job workers and suppliers to cater to the changing needs and preferences of the customers.

Over the years, we have invested a substantial amount of effort on building our brand. This includes various forms of promotion, marketing, engaging with brand ambassadors, organizing exhibitions and being part of conferences. We in the past have engaged with brand ambassadors such as Rakul Preet Singh, Kajal Agarwal, Priya Anand to boost the presence of our brand and have a wider reach *(Source: Technopak Report).* We have also connected with target groups through exhibitions to understand the taste and preference of the customers *(Source: Technopak Report)*.

Our knowledge of the micro markets that we operate in and our agile business strategies have made us competitive in the state of Andhra Pradesh and Telangana as given below:

Key Players in Andhra Pradesh and Telangana

Key Players	Stores in Andhra Pradesh	Stores in Telangana
Tanishq	15	16
Kalyan Jewellers	8	6
Malabar Gold Pvt Ltd	14	14
GRT Jewellers	5	3
Joyalukkas	13	8
Vaibhav Jewellers	11	2

Source: Technopak Report

We believe that our local understanding and expertise allowed our founder Late Mr. Manoj Kumar Grandhi to build our jewellery business in the form of a proprietorship concern from a single showroom at Visakhapatnam in 1994 to a reputed jewellery Company (*For further details see "History and Certain Corporate Matters on page 192*). In the last 28 years, our Company expanded to various places in Andhra Pradesh and Telangana with a total of 13 retail showrooms (inclusive of two franchisee retail showrooms) spread across 8 towns and 2 cities. The word of mouth, quality of services & products, and good publicity ensured higher footfalls in our retail showrooms and enabled us to generate repeat customers. Our presence in coastal Andhra belt gives us an exposure to agri-customer base and thus our showrooms are aligned to capture the demand coming in from such customers (*Source: Technopak Report*).

We also believe in hiring local talent so that they can connect with the local public and community ensuring that the essence of the local sentiments remains at the point of sale. Our promotional campaigns are also guided and driven by local factors and we give culture specific and linguistic touch to the local promotions.

Early mover advantage in the state of Andhra Pradesh

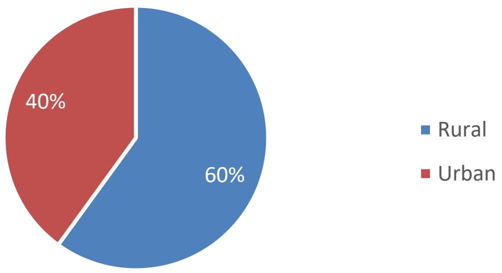
We have been amongst the first movers in the organised jewellery business in the state of Andhra Pradesh by starting our business as a proprietorship concern in the year 1994 from our first showroom in Vishakapatnam. We continue to focus on regional expansion into the high growth untapped regions within the micro-markets of Andhra Pradesh & Telangana. We have a market share of ~5% of the overall Andhra Pradesh and Telangana jewellery market and ~14% of the organised market in these two states in FY2021. Our product range and offering have allowed us to cater to all segments and genres of customers, thus augment our brand strength and build a loyal customer base. From a single retail showroom as a proprietorship concern in 1994, we are now a total of 13 retail showroom (inclusive of 2 franchisee retail showrooms) spread across Andhra Pradesh and Telangana with a total of 95,892 sq.ft. and intend to open new retail showrooms in Tier 2 and Tier 3 cities of Andhra Pradesh and Telangana in FY23 and FY24 (*For more details, please refer to Objects of the Offer at page 92)*.

Our revenue from operations was ₹509.10 million in 2005 has now touched approximately ₹16,939.19 million in the year 2022 at a CAGR of 22.90%, thus showcasing our growth in the business over the last two decades. Over the years, we have catered to the need and the changing trend of the market and with our retail showrooms, we have strived to give the best and premium level of shopping experience to our customers, thus creating a repeat loyal customer base. Before opening any retail showroom at any location, we conduct a thorough study of the market, the surroundings, map the choice and preference of the consumers, study the reach and the type of locales or the consumer base that we may create and do an estimate of all parameters to ensure that our business from that retail showroom will result into a positive growth of our business.

Our focus of fortifying our business through Rural Market focus

Rural market continues to contribute 60% of the jewellery demand in India. However, the rural consumers have limited access to quality products, transparent pricing choice of products, accessibility and designs. Despite the rise in price of gold in the last decade, the volume of purchase advanced by a rural consumer has not come down for weddings/ post-harvest etc. as they consider gold as an investment for the future. Urban India accounts for only 40% (~USD 24 Bn) of gold jewellery demand and the rest 60% (~USD 36Bn) is contributed by rural India. Gold ownership is higher in rural India, and it rises with income levels.

Rural vs urban contribution to jewellery market FY 22 (Total value $ 60 billion)



(Source: Technopak Report)

Growth in farmer's income, increase in farm yield and increase in income in coastal area will help grow jewellery sector since rural consumers invest their savings predominantly in gold jewellery. For rural consumers, investing in gold or jewellery is a saving mechanism or an investment for contingent situation as a security and not merely a luxury. Rural market in the state of Andhra Pradesh and Telangana contributes 52-55% of the total jewellery market in FY 2021 in these two states. 60-70% of the rural demand for jewellery is driven by weddings followed by the need for investment post-harvest *(Source: Technopak Report)*.

We cater to all economic segments of the micro markets of Andhra Pradesh and Telangana through our dedicated branded retail showrooms and have a strong rural market focus. We believe that besides the rural markets having a larger pie of the retail jewellery market and offering huge potential for organised players, the inelasticity of rural demand for gold offers large potential for growth. In rural market the volume of the gold matters for consumers not the value. 77% of our showrooms are in Tier 2 and Tier 3 cities catering to the semi urban and rural demand of Andhra Pradesh and Telangana. The remaining 15% of our showroom are located in the Mini Metro city of Hyderabad and 8% of our showroom is located in Tier 1 city of Visakhapatnam.

Our focus on rural market as an organised player allow us to educate the customers regarding the quality, standard and certification of the products. We follow a hub & spoke model in our respective region of operation with small sized showrooms operating peripheral to the larger showrooms, thus allowing us to offer new products to the semi urban and rural customers on a continuous basis as per their demand and choices. We also conduct exhibitions to reach out to the customers in district or rural level and offer them product and services to promote brand image, increase the awareness of the brand, and introduce new products and design specific to the regional market. We connect with target groups through exhibitions to understand the taste and preference of the customers.

Through our operating ethos of 'Relationships, by Design' we offer diverse product designs at varied price range to customers across budget bracket

We operate on the core philosophy of RELATIONSHIPS BY DESIGN and FOR THE WOMEN OF TODAY

a. RELATIONSHIPS BY DESIGN – Attitude of building an ever-lasting relationship with customers by promising them fresh, new, unique and surprising experiences thoughtfully designed around them.
b. FOR THE WOMEN OF TODAY – We offer jewellery in a host of designs for all age groups and have a special motive to cater to the requirement of today's women's choice and needs.

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 genre of customers keeping in mind their taste and preference. Our team of jewellery expert and our long-trusted relationships with our suppliers, and job workers have allowed us to create a diversified and a wide range of varied and unique designs to cater to different type of customers. Our flagship showroom in Visakhapatnam spread across 29,946 sq.ft. and four different floors of shopping experience provides for a varied and extensive catalogue of products and designs to choose from.

One of our unique selling proposition is creating an inventory of varied designs products. This approach of ours ensures repeat customers seeking varied type of designs & products as we have a wide range of options to offer. We have a wide range of products of various category, price range, occasion and we provide for a well-crafted and organised sales experience to our consumers. We follow a robust policy for replenishment of our inventory for all our products to ensure that we are up to date with our designs and product offerings.

We believe that due to the wide range of designs and products that form a part of our collection, we are able to cater to the needs of customers of all age and genre including consumer from the rural markets. We ensure that we are updated with the latest market trends and ensure that we have that design and product as a part of our product catalogue along with the regular standard fast selling designs. Since the beginning, we are strongly centered around growing needs of segmented customer requirements. Our endeavour has been to provide our customers with a wide range of designs to choose from and have positioned ourselves as "Relationships, By Design". We are known for our designs, quality, transparency and customer service. This makes it easier for us to penetrate deeper into the region and replicate the same strategy for future expansion. Our long term relation with our suppliers and job workers provides us with an ability to introduce new and unique design of high quality across our various retail showrooms. We have also created a sub brand "VISESHA" and the idea of creating this sub-brand is to showcase the design intricacies, along with workmanship and exclusive designs, which are distinctive and appealing for the customers. ***VISESHA*** of the Company caters to the customers in the premium segment of gold and diamond jewellery.

Our Go To Market strategy is our key business enabler thereby providing wider market reach; deep customer connect and have enabled us to build a loyal customer base

We follow the Go To Market (GTM) model, through which we have developed strong connections and built long-lasting relationships with our customers. Thus, ensuring repeat business for us. Through our undeterred efforts, we have been able to build robust database of customers who patronise with our brand. The GTM model has enabled the Company to differentiate its brand vis-à-vis its competitors. This model is highly cost effective and ensures higher footfall at the retail showrooms as well as improve customer loyalty. The GTM model helps in collecting critical market data viz., demographics of such location, existing businesses in the surrounding areas, the site quality such as site visibility, footfall generation, parking and accessibility of the location to the customers, etc. It has enabled us to undertake in house research and study of the varied characterisits of each market that we operate in or are looking to expand thereby helping us to map the market and reaching out to the right consumers by knowing their preferences and offering them with the right product mix. The GTM model enables us to know the market trends and also map our competition in the area in which we operate in.

We conduct exhibitions at various locations across India to understand market trends, offer existing & prospective customers with varied designs, increase brand awarement and promote brand image and introduce new products. We also conduct regional campaigns to reach out to the untapped areas like villages to create awareness, showcase our products & varied designs and services through regional influencers like Panchayat head and other influential people. This enables us to reach out to a larger set of customers in district or rural level. Also, during any new product or design or new retail showroom launch, the team undertakes location specific marketing wherein they individually meet the customers and also devise hyperlocal communication strategy, thus ensuring effectiveness of a. campaign. We also undertake activities like focused group discussions for educating customers; door-to-door activities for increasing brand awareness and have a marriage cell that has database of the marriage ecosystem basis which we invite the couple and their families for jewellery purchase for the occasion. We focus highly on these activities and is successful in effective direct selling.

We do not open or launch any new retail showroom unless we are confident of gaining a strong revenue traction for the next 5 years. With a strong in-house market mapping team that does research & catchment area study for almost 6 – 8 months before a new retail showroom is planned. Subsequent to planning of the new retail showroom, GTM activities are carried for a period of 60 to 75 days, which will help to draw a larger audience on the launch date of a new retail showroom and subsequent thereto.

We have a centralised customer relationship management system ("CRM") which enables us to utilise advanced analytics to understand customer behaviour, preferences, choice, and purchase patterns. This enables us to develop personalised marketing tool targeted to our various genre of customers and to offer customers products and promotions that may be of specific interest to them based on their choice and preference.

Experienced promoter and professional senior management team enabling seamless strategy implementation and business operations

We are led by a management team with extensive experience in the jewellery industry. Our jewellery retail business was started by our founder Late Mr. Manoj Kumar Grandhi in Vishakapatnam in the year 1994 (*For further details see "History and Certain Corporate Matters on page* 192). We have a network of 13 retail showrooms (inclusive of 2 franchisee retail showrooms) spread across Andhra Pradesh and Telangana. We are now led by first generation woman entrepreneur Mrs. Bharata Mallika Ratna Kumari Grandhi along with her daughter Grandhi Sai Keerthana. (*For more details see "Our Management" on page* 202).

We have an experienced team of professionals heading various departments of our Organisation. We also have a well-defined systematic organisation structure wherein the CEO reports to the Managing Director who in turn reports to the Board. Our Board of directors are actively involved in the process of formation and implementation of business strategies. Our Board consists of eminent personalities from varied fields such as accounts, industrial relation, personal management, banking & finance and business administration. Our experienced team of professionals have played a key role in our business expansion and management across Andhra Pradesh and Telangana over the years. We believe that the individual and collective strengths, experience skillset our management team has been the backbone of our success and scalability.

Our experienced leadership and key managerial personnel enable us to ensure quality product management, dynamic inventory supply chain process, optimum operation efficiency, effective people management, customer satisfaction, etc.

Employees and Customers are our real Brand Ambassadors

We train each of our employees to promote and publicize our brand and products through the practice of word of mouth. We duly recognise such marketing efforts put in by respective employees, by inventiviging as well as appreciation and felicitation of such employees. One such program of incentivizing and felicitating our employees is called as "Mana Vuri Vadu Mana Vaibhav Vadu", which means Our Localite – Our Vaibhavite. This is an employee motivational and morale lifting activity of felicitating and appreciating top performing employees in presence of their family, relatives, villagers / local area people. This felicitation program not only provides recognition / rewarding within the organizations, but would also inspire and motivate other employees in the organization. Further, it enables in brand building amongst the village, enable effective hiring & retention and pull in more customers to the retail showrooms. We also focus on localised hiring, a strategy that has helped the

Company whereby the local staff has been able to easily connect with the customer; better understand market needs; understand local traiditions and devise a localised brand promotion & marketing strategey.

Our brand management and promotional programmes are very customer centric. We also follow a strategy of developing marketing and promotional campaign wherein customers promote our products, designs and brand. Our customer centric brand and promotion campaigns has led to a strong word of mouth publicity, especially in Tier 2 and Tier 3 cities.

Ability to define operating parameters and internal control measures that enables us to perform as well as grow business across the micro market of Andhra Pradesh and Telangana and also other jurisdictions through our e-commerce platform.

We have established a robust set of operational and control processes to manage our business operations and to support our future growth at both the retail showroom and corporate level. We have developed key performance indicators to keep a track of same showroom sales growth. We have systematic inventory management and supply chain policies that enables us to closely track inventory, starting from initial procurement of raw materials leading to the point of sale in our retail showrooms. We barcode each piece of finished goods inventory and conduct daily inventory check at our start and end of operations at each of our retail showrooms. Our Company uses Tally ERP software for its accounting related requirements; JILABA software for our stock and point of sale related requirement and the same is accounted to per retail showroom sales. We follow a hub & spoke model in our region of operations with small sized showrooms operating peripheral to the larger showrooms. Our future growth in our micro market will be defined by our ability to capture the hinterland markets. We also have a qualified team that undertakes market study and tracks the retail showrooms growth with that of the estimates.

We have also developed & designed our website that can be easily navigated serving as a strong starting point to display of our huge collection. To push online sales that would transcend beyond Southern boundaries and make a strong case for pushing the brand to other micro-markets as well as states. Our e-commerce platform is user friendly and easy to access, allowing our customers to have a seamless experience while navigating the portal. Our sales from the e-commerce platform have increased from ₹41.66 million in the Financial year 2019 to ₹286.86 million in the Financial year 2022 and form 1.69% percentage of our total revenue from operations. Our e-commerce marketplace platform can add to our profitability and scalability. One of our prime focus is to provide a live inventory experience to our customers through our e-commerce platform. The live inventory experience as a part of our e-commerce portal allows our customers to try the jewellery of their choice with the comfort of sitting at home, just like a real-life experience in showroom. This allows a customer to select and choose any design of their preference that may be it delivered to their door step. In the past three years, ~2% of the total sales for Vaibhav Jewellers consists of sales from online channel (*Source: Technopak Report*).

Our robust and effective internal control processes ensure an end-to-end support for the growth of the organisation and the network of showrooms. We have a centralised customer relationship management system ("CRM"), which enables us to utilise advanced analytics to understand customer behaviour, preferences, choice, and purchase patterns and enhance our internal control measures that enables us to perform better. This enables us to develop personalised marketing tool targeted to our various genre of customers and to offer customers products that may be of specific interest to them based on their choice and preference. We also follow a practice of reaching out and connecting to our customers in various manner such as exhibitions, events, campaigns to maintain the relation and the connectivity with them.

Our Strategies

Expand in the untapped sections of the micro markets of Andhra Pradesh and Telangana and develop those markets for organised jewellery sales

Our strategy is to deeply penetrate the micro markets of Andhra Pradesh and Telangana with organised retail play and focus on rural areas as well as Tier 3 cities while catering to their taste, preference and demand and allowing them to choose from a very localized and culturally connected designs. We are currently present in 7 districts in Andhra Pradesh out of the 26 districts and in 2 districts in Telangana out of the 33 districts. We believe that our key focus on building our brand is by reaching out to newer customers, understand their requirement and deliver them the best of the products as per their requirements. Accordingly, one of our prime strategies is to focus on regional expansion and expand our presence in cities where organised jewellery retail chains are not available. (*Source: Technopak Report*).

One of our main objects of the Offer is to open 8 showrooms across various Tier 2 and Tier 3 locations in Andhra Pradesh and Telangana (*For further details see "Objects of the Offer on page* 92). Our strategy is to study and research the potential market regarding the various opportunities that lie in the micro markets of Andhra Pradesh and Telangana and reach out to such towns by opening retail showrooms and introduce organised retail play.s. Our research team is constantly engaged in studying the micro market of Andhra Pradesh and Telangana for our subsequent and future expansion plans.

Our standardised approach to new showroom opening enables us to launch our showroom at a faster pace with the right amount and type of inventory. The Company has a strong in-house market mapping team that does research & catchment area study for almost 6 – 8 months before a showroom is planned. Marketing and promotional activities are conducted before a showroom is launched. The marketing and promotional activities are carried for a period of 60 – 75 days, which will help to attract larger audience to the showroom on the launch date as well as ensure consistent subsequent sales post the launch. We evaluate all of our showroom locations by conducting extensive market research, study, understanding the demographics, accessibility, locality and the commercial viability. Further, we also study the existing jewellers in a given region to understand their product offerings as well as local jewellery preferences, enabling us to curate a merchandise offering at our showrooms that is both tailored to local preferences as well as to offer a wider range of jewellery products.

We intend to leverage our substantial past efforts and experience to expand our presence across various cities and towns that we believe have the right potential for us to set up new showrooms. Our effort towards building our brand over the years in the local market of Andhra Pradesh and Telangana will give us the advantage in our expansion plans to newer locations.

Focus on further strengthening our rural focus and improving our sales from existing showrooms

Rural market continues to contribute 60% of the jewellery demand in India. (*Source: Technopak Report*). One of our strategy is to strengthen our focus and presence in the rural markets to improve our scale of business. Our strategy to map our location based customer preference in relating to the location of our showrooms and study its competitive landscape, allows us to understand the market behaviour and accordingly strategise our sales in each location. Based on this understanding, we plan our inventory management and merchandising strategies.

Our strategy is to expand our presence in non-penetrated market of Tier 2 and Tier 3 cities, and enjoy the benefit of a first mover advantage in the untapped regions. Our strategy of dynamic inventory management practice helps us in achieving higher sales at all times and specially during peak season of festivals due to the diversified and unique products offering that we are able to cater to our customers. We concentrate and strategize to focus on the rural sector as we believe that inelasticity of rural demand for gold offers great potential for our growth in such areas.

Deepen our customer relationships by enhanced focus on our Go-to-Market strategy to strengthen our customer engagement

In jewellery business, one of the most important factors for growth is the trust and brand image that one can create in the mind of the customer. The trust regarding the quality of the product is imperative, which allows our business to grow and also this creates a strong relationship with our customers. One of our strategy is to deepen our customer relation by regular engagement efforts such as campaigns, exhibitions, sales, offers, events, promotions. Our Go To Market (GTM) strategy model, will enable us to develop strong and long lasting connections and bond with our customers for ensuring repeat customers and recurring sales. We conduct a detailed customer profiling based out of the large database and the preference of the customers that we have and engage with them to cater to their needs. With our pricing, quality of products, shopping experience, diversified product offerings and ease of accessibility at various locations, we intend to further enhance and build a unique amount of trust and relation with customers of all genres across various locations.

Focus on augmenting our Brand strength

We work on augmenting the strength of our brand by enhancing our product offering, giving a good shopping experience at our retail showrooms and by continuous customer engagement. We intend to augment our brand strength through various medium such as different forms of promotional activities, focussing on CSR activities that are more centric on social issues which will connect with the sentiments of the consumer at rural levels. One of the strategies that we implement to create a stronger brand value is to have a strong communication effort with the consumers once we launch a showroom. Our strategy is to hire and engage employees hailing from the local town wherein we open a showroom so that they can connect with the sentiments of the locales and offer the best services. We intend to incentivize the well performing employees through our award programme in front of their family and village which helps in brand building and result in effective hiring & retention of our employees. We also intend to use our digital marketing ability to connect to various customers on a daily basis thus ensuring that we create a positive value of our brand.

Invest to enhance our product portfolio by offering wider spectrum of designs and thereby improve the sales of our Premium jewellery

We intend to continue to increase our focus on newer designs and products. We are conscious about the demand for unique designs and it is our endeavour to offer newer designs. We also follow a strategy of keeping inventory of design in our showroom specific to the location of the showroom and the type of consumers we are catering to, such as our flagship showroom caters to more of the cosmopolitan designs and product offerings to cater to such consumers and our rural showroom focusses more on the local based designs as per the choice of the customer of that location. Our strategy is to explore newer trend of products as per customer preferences and to innovate and improvise on our design collection and pattern. As a part of our strategy, we created a distinctive sub brand called **"Visesha"**. This sub brand has a distinctive identity for itself in the segment of premium jewellery. An enhanced shopping experience is also provided for these customers.

We believe that the Indian jewellery consumers are also becoming increasingly brand conscious and developing greater sophistication in their jewellery preferences. Given this trend, we are continuing to explore opportunities to expand our range of designs and product catalogue to provide our customers the bandwidth to choose their favourite products. We intend to build further on this portfolio of branded jewellery, in order to widen our appeal across larger cross sections of our target market

Strengthen our Inventory Management practices

Strong and effective inventory management practices are core to successful retail operation. The right mix and quantum of inventory are showroom level 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. As a part of this strategy we maintain a very good relationship with our suppliers allowing us to enjoy a seamless replenishment of inventory. One of our strategy is to understand the market very closely through our study and research and try to bring in the unique and new design to the market before our competitors. In order to ensure the replenishment of inventory in an effective manner, we follow a process of selling our inventories that we believe may not fall within the current set of choice and preferences of our customer base by providing various discounts and offers to our customers on such products. The sale of old inventory allows us to replenish them with new set of inventory and also generates revenue from such sales.

Leverage on our e-commerce platform to reach our customers beyond our brick and mortar network

E-commerce is growing in an accelerated manner in India with accessibility of internet even in remote areas. The Indian jewellery industry has started to appreciate the need of digital transformation and has embarked in this journey thus providing the feasibility and accessibility of their product to its customer from remote location. The penetration of e-commerce is expected to grow to 10% of the total jewellery market by FY 2025 *(Source: Technopak Report)*. Many customers or prospective customers will come to know about our products and may want to experience and know more about our wide range of products. Our e-commerce platform will allow them to experience the product offering sitting anywhere in the world..

Since the advent of the COVID 19 pandemic, we have realised that online shopping will be one of the biggest markets and it is imperative that the customers get the best of the experience and ease of shopping on online platform. We have the team to ensure that our e-commerce platform is attractive and up to date with the software and regulatory requirement. We showcase varied designs and products from our catalogues on our e-commerce platform and provide unique marketing experience to our customers. We have seen a great response from our customers through our online platform and market place areas and we intend to strategise its growth and accessibility by reaching out to new customers and jurisdictions which will enhance our profitability and scalability. Our e-commerce platform gives us the leverage and the bandwidth to reach out to customers across various part of the globe and thus enhancing our customer portfolio in various jurisdictions. Our strategy is to expand our customer base to United States of America, Canada and United Kingdom by leveraging on our e-commerce platform vertical.

One of our prime focus is to provide a live inventory experience to our customers through our e-commerce platform. The live inventory experience allows our customers to try the jewellery sitting at home, just like a real-life experience in showroom. This allows a customer to select and choose any design of their preference that may suit their taste and preference and the same can be booked and have it delivered to their door step. As a part of the e-commerce strategy, our focus is to concentrate on the unique and fast moving design collections. Through e-commerce platform, our main focus is to enhance our brand image and focus on the varied collection of products that we can offer for establishing a strong customer reach and connect in the domestic & global market.

Impact of COVID-19

March 2020 to May 2020

An outbreak of a novel strain of coronavirus disease 19 ("**COVID-19**"), was recognised as a pandemic by the World Health Organization ("**WHO**"), on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India have taken preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit their time outside of their homes. Temporary closures of businesses had been ordered and numerous other businesses have temporarily closed voluntarily. Further, individuals' ability to travel had been curtailed through mandated travel restrictions and was further limited. Post the national lockdown, many local governments also implemented further phase wise restrictions and lockdowns thus affecting the business as a whole. Due to a government mandated lockdown in India, we had to temporarily close all of our showrooms, procurement centres and our offices from March 24, 2020 to May 11, 2020. Like any other business across the country, even our operations and revenue had an impact during the lockdown.

The real growth rate declined to 4% in FY 2020 and witnessed a contraction of 7.3% in FY 2021 due to the outbreak of COVID-19 pandemic. The pandemic led to imposition of lockdowns towards the last quarter of FY 2020 and a major part of the first quarter of FY 2021 causing a contraction in the economy. Further lockdowns were lifted in staggered manner and local lockdowns were imposed as per the gravity of the situation (*Source: Technopak Report*).

In accordance to the government notification passed at regular intervals, we had to ensure that we maintain all our employees at all branches and offices with very minimal operations and business activities which impacted our financials. We reduced the salaries of our employees and also reduced the lease rental across all our branches. We also proactively and regularly engaged with our customers to reassure them about the strength and the trust of our brand and business. We ensured the customers safety by introduction of every level of safety protocol against the novel corona virus COVID-19. As a result, we experienced a return of customer traffic to our showrooms and in FY 2021, despite the pandemic, there was an increase in our revenues by 12.07% as compared to FY 2020.

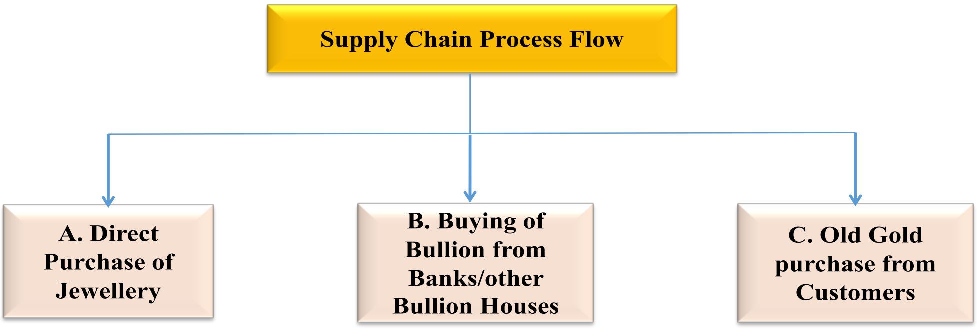
May 2020 onwards

We resumed operations from May 11, 2020 in a staggered manner and by the end of June 2020, we resumed operations in all our showrooms with 50% staff capacity. Our effective support systems allowed us to commence our operations in a strong manner, despite the temporary disruption in our business due to the lockdown. Our supply chain network built by us over the years and the capabilities and depth of our management team enabled us to restart the operations quickly post the restrictions were eased.

Due to COVID-19 lockdown, we also started focusing on our online business model, which added to our revenues. COVID-19 lockdown and loss of business also led us to take necessary steps and strategise the reduction of the expenses on overheads such as electricity, travel, advertisement and other overheads. We also proactively and regularly engaged with our customers to reassure them about the strength and the trust of our brand and business. We ensured that the customers felt safe with us and introduced extensive safety protocols against the novel corona virus COVID-19. As a result, we have since experienced a return of customer traffic to our showrooms. Despite the prevalence of COVID-19, our revenues grew by 12.07% in FY21 and 32.43% in FY22 as compated to FY20.

The uncertainty of COVID-19 and its impact pushed many families to make provisions for financial stability and investment and gold being one of the best modes of investment had a positive impact on our business. The impact of the COVID-19 pandemic accelerated the shift of the jewellery market from unorganised players to organised chains such as us, given the conviction consumers are likely to have in the showroom experience, safety protocols, hygiene and quality that we can offer.

Supply Chain Process Flow



Raw Materials

We procure bullion gold from various authorised dealer bankers and gold jewellery from dedicated suppliers across the country. We have three process to source gold jewellery/gold bullion.

(a) Buying of gold bullion from Banks/Other bullion houses
(b) Purchase of old gold from customers
(c) Purchase of jewellery from suppliers

Buying of Gold bullion from Banks/authorised dealers

One of the main process of sourcing Gold is in the form of bullion from Banks/authorised dealers through outright purchase.

Purchase of old gold from customers

Our Company buys old jewellery (of any purity) from customers**.** The Supply Chain Management (SCM) department receives the old jewellery and verifies the quality and the purity of it. Once quality check is done, the SCM department will sort the gold on the basis of respective level of purities**.** Except for the pure 24 karat gold all the old gold bought from customers will be sent for smelting (either in-house smelting or to third party smelting places). After smelting the gold, the company will receive the same in the form of Gold Bar. These bars will be then sent for refining to various refiners as may be decided by the Company. Once the bar is duly refined, the SCM department will receive the 24 karat gold bar.

Purchase of Jewellery directly from the suppliers.

The jewellery in its final ready form is purchased from Company selected and approved suppliers. The suppliers issue material indents based on auto replenishment process. The Supplier will make the jewellery on the basis of Material Indent. Once it is ready, the supplier will send the hallmarked jewellery. SCM Department of the Company will then receive the stock and verify it with the actual billed quantity. If the department feels that there is any discrepancy in the quantity or quality against the bill, the SCM Department returns the stock to vendor. The confirmed stock after thorough check will be sent for the purpose of unique bar coding. The charges levied by the supplier are verified as per pre-agreed price as mentioned in the invoice received from supplier and the invoice will be sent to Finance Department for the purpose of payment. The stocks will be then ready for dispatch and are duly distributed to the respective branches as decided.

Design

One of the most important considerations in our business is design. One of our strong pillars of growing our brand has been our constant innovation and approach towards 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 subsequently.liason with our network of job workers and suppliers to provide us with customized samples. We review and consider such samples and select the ones that we feel the best. Based on further review of the quality of the final samples submitted, we issue job work order to our suppliers to prepare our designs, while control of the entire production process remains with us. There have been many situations wherein, our suppliers have also created unique designs for us.

Jobwork

Bullion purchased from banks or other bullion houses and old purchase advanced from customers after refining will be issued to job worker based on inventory policy of the Company. The job worker makes the desired jewellery within the stipulated time frame based on the specifications mentioned in the job work order and the same will be received by the Company in the form of jewellery with or without hallmarking. If the jewellery is received without hallmarking, the hallmarking is done locally with assayers at a local level. Once the hallmarking is done, the SCM department will receive the same and check the stock against the invoice and the quality and design as per the job work order. If there is any discrepancy in the design and / or quality, the same will be returned to the job worker for necessary alterations. Approved stocks will be sent for bar coding. Once the unique bar coding is completed, the stocks will be ready for dispatch to the respective retail showrooms.

Quality Check

Quality is one of the most important aspects in our business. As our products are manufactured by 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 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.

Showroom Operations

On arrival of inventory at respective retail showroom, dedicated stock controller /sales manager from operations department will collect the inventory. Stock controller /sales manager will verify the inventory with STN with regards to the exact quantity, number of pieces and weight. Once the stock check process is completed, the same will be downloaded in our software system. Stock controller will then distribute the inventory according to the merchandising counters at all the respective retail showrooms. Detailed check will be done by the respective counter staff as per the specific unique bar code. If any discrepancy is identified in the inventory, the same will be escalated and brought to the notice of the stock controller /sales manager, as the case may be. Once the same is duly informed to the respective person, that person will then escalate the same to SCM Department or transfer the inventory back to the SCM. The duly confirmed inventory is made available in the merchandise counters. As a regular daily process, the stock controller gives the opening inventory of products and counter wise report on the opening of the retail showroom in the morning. The staff at the counter will verify the total inventory along with the opening inventory and the sales counter for the day shall commence accordingly.

Post the close of a day's operations of a retail showroom, the closing inventory report will also be distributed by stock controller /sales manager, as the case may be. The staff at the counter will verify the closing inventory report with physically available inventory in counters by physical count. After tallying the book inventory and physical inventory, inventory will be taken out from counters and stored in the duly locked safety vaults, which are available at their respective retail showroom. Exceptions is for silver jewellery and items as for silver inventory, after verification of physical inventory with book inventory, silver inventory are kept in existing counters for the next day sales operation and are not shifted to the safety vaults.

On monthly basis, inventory auditing will be done according to weight mentioned on bar code and physical weight of the jewellery at their respective retail showroom by stock controller/ sales manager, as the case may be.

Display

Once the product is ready and hallmarked as per the standard agreed BIS norms, we proceed to the send the same to our respective retail showrooms for the purpose of display for customer experience and sales. This process starts after we do one last quality check at our end. Every product is tagged with a unique barcode for ease of reference and identification and the same is put up for display accordingly.

Customer Order Process

We have regular instances, wherein the customer brings the specific jewellery design or the design will be finalised based on mutual discussions between the customer and the retail showroom officials. Once the design is finalised, the same will be sent to the orders section in SCM department. Orders section will finalise the design after discussions with the job worker or will confirm if something similar is available from the approved supplier. After receiving the confirmation and the due advance from the customer, the order will be processed accordingly. The time frame to complete an order can differ from 7 days to 40 days, based on the design and the size of the jewellery. Once the ordered jewellery is ready, the same will be received by the SCM department along with the bill and it will check the product as specified in customer order. If there is any minor discrepancy in the design or quality, the Company will correct the design as per the customer's request. Once the product is confirmed by the customer, the same will be billed to customer and the customer can receive the product after clearing the balance payment at the respective retail showroom.

Our Key Milestones

Our Company has experienced significant growth trajectory over the last two decades and have achieved various milestones during such growth process. Such milestones include certain business acquisitions, opening of new retail showrooms at various locations, reaching certain milestones in revenue, launching of sub brands and expansion of our sales through introduction of e-commerce platform (*For further details see "History and Certain Corporate Matters on page* 192).

Our Operations

Products

We purchase jewellery on outright basis from our suppliers and also purchase bullion from banks and supply to job workers with work order for making jewellery, according to the work order issued. We sell a wide range of gold jewellery, silver, diamonds and precious gemstones and other jewellery products with wide ranges of designs to meet the needs of all types of customers on all occasions throughout the year, including festivals, weddings, special days such as Akshaya Tritiya, Dhanteras, Diwali, etc. We offer gold jewellery, silver jewellery, diamond & studded jewellery, various gemstones, platinum jewellery and other jewellery. In Financial year ending 2022, our revenue from operations was ₹16,939.19 million, of which 89.50% was from the sale of gold jewellery, 3.84% was from diamond jewellery, 4.01% from silver jewellery and 2.65% was from the sale of other jewellery.

We have a wide array of designs and a diverse range of product collection that enables us to cater to needs of our customers. We offer jewellery and ornaments for wedding and special occasions, events, festivals, personal milestones, gifts, regular day wear. Our specific product range predominantly includes necklace, rings, earrings, pendants, chains, waist bands, bracelets, bangles, full set of jewellery and so on and so forth. While we produce the regular on the go counter level popular jewellery at scale, we also produce the specific niche and unique jewellery for specific target markets and consumer groups. Our diverse product range and plethora of design enables us to cater to customers across every genre, age group and varied cultures. Furthermore, our jewellery is specifically aimed at catering to local preferences in the geographies of Andhra Pradesh and Telangana in which we operate. We use local artisans from across the country who act as job workers, to produce jewellery that aligns with local tastes and market trends.

Pricing and Transparency

We have a transparent pricing system. The products that are sold in our retail showrooms have a pre-determined and pre-added making charges, which is a common practice in our industry. Despite the fixing of the price, we do keep a buffer for our staff to extend, at their discretion, discount on a product upto certain extent. Our jewellery prices are primarily based on our costs of production, including the costs of raw materials, production costs, quality certification, transportation added with a specific margin. Our jewellery prices also reflect applicable taxes as well as general market demands and price trends. Our production charges and margins are determined by our senior management team in consultation with the local retail showroom level team.

We also believe in transparency regarding the quality of our product. We believe that every customer should know what they are buying. We are transparent regarding the quality of the same and the details of the product such as weight, how many karats, etc. We follow the concept of fair trade practice, as we believe that it is one of the most important requirements to attain success. All our jewellery comes with the quality check tag and hallmarked as per BIS norms. Moreover, our sales staff is trained to be forthright with customers and build trust amongst the customers for securing repeat business. With each purchase, we also provide and explain to our customers all explanation regarding warranty, maintenance, how to use and buy back terms.

Purchase Advance Scheme

We launched our monthly purchase advance schemes on June 01, 2022, with a motive to support customers who would prefer to buy certain jewellery, through accumulating advances over the period of 11 months in equal tranches. To encourage such customers, we incentivize them with a joining gift. Along with this incentive, customer will also get the jewellery, without the value addition charges to the extent of the amount paid over a period of 11 months. We obtain all know your customer (KYC) related supporting documents like Aadhar, PAN copy and contact details are taken at the time of the 1st advance being paid by the customers.

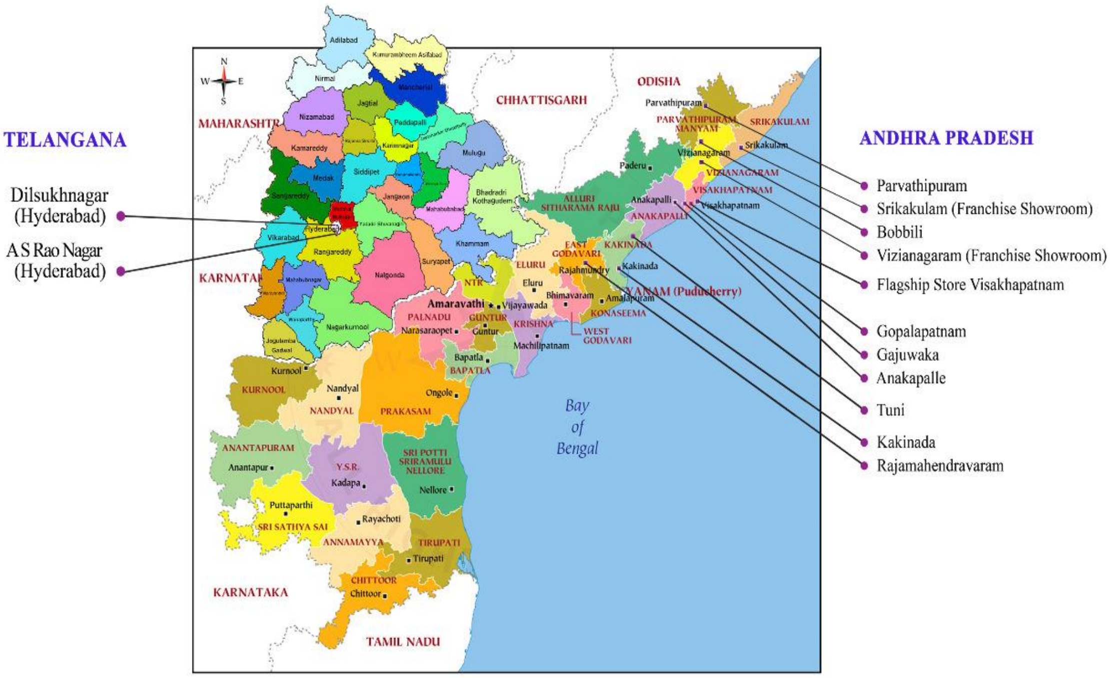
Sales Locations

Showroom Network

As of August 15, 2022, we have 13 retail showrooms (inclusive of 2 franchisee retail showrooms) located across 2 states, which covered a total aggregate area of 95,892 sq. ft.

The map sets forth our showroom centre presence across Andhra Pradesh and Telangana as of August 15, 2022:

VAIBHAV JEWELLERS SHOWROOMS IN
ANDHRA PRADESH & TELANGANA



In addition to the above, we also have an office in Mumbai situated at Gala No. 53, 2nd Floor, The Sidhpura Co Operative Industrial Estate Limited, Goregaon (West), Mumbai 400062, Maharashtra to cater to our business from e-commerce platform.

Below is the break-up of our revenue for the Financial Year ending March 31, 2022 as per our presence in Mini Metro, Tier 1, Tier 2 and Tier 3 cities.

Location	Percentage break-up
Tier 1 City – Visakhapatnam	67.01%
Tier 2 and Tier 3 (Rajamundry, Kakinada, Gajuwaka, Parvathipuram, Bobbili, Anakapalle, Gopalapatnam, Srikakulam, Vizianagram)	27.61%
Mini Metro City - Hyderabad	5.38%

Expansion plan

Our main Objects of the Offer is to expand our presence in new locations. As a part of our expansion plan strategy, we intend to open 8 new showrooms at various locations in different Tier 2 and Tier 3 cities to further cement our foothold in the jewellery market of Andhra Pradesh and Telangana (*For further details see "Objects of the Offer on page* 92).

Marketing and Promotion

Our Brand

We have endeavoured to establish a strong brand in Andhra Pradesh and Telangana, which our customers associate with trust, quality and transparency. Our core values and the practice that we imbibe have helped build the strength of our brand. Our company employees are also our brand ambassadors and we focus on developing the culture and bonding in the employees right from the date of their joining the Company. We cater to all economic segments of the market in the regions wherein we operate through showrooms and loyal customer base. We have a strong rural market focus as we believe that besides the rural markets having a larger pie of the retail jewellery market and offering huge potential for organised players, the inelasticity of rural demand for gold offers great potential for growth. In rural market the volume of the gold matters for consumers not the value *(Source: Technopak Report)*.

Our branding strategy focuses on maintaining consistency in our brand messaging across all of our communication channels and markets in which we operate. Marketing by trained employees, word of mouth, advertisement in varied forms as digital, print and even social media and our constant communication with customers have helped build the strength of our brand.

Marketing

We have invested in the promotion of our brand over the years. Our aggregate expenses for marketing and other advertising efforts in Financial Year ending 2020, 2021 and 2022 was ₹ 80.72 million, ₹ 33.43 million, and ₹ 59.94 million respectively, which amounted to 0.63%, 0.23% and 0.35% of our revenue from operations respectively. We believe this investment in marketing and building our brand value is one of the key factors which has enabled us to build awareness, enjoy a loyal customer base and generate profitability and scalability.

We have invested a considerable amount of our marketing budget in promotions and advertisements of our business and products in the form of print as well as digital media. In the past, we have also engaged with celebrities to promote our brand and products and we also intend to the same in the future. We also focus on grass root level of marketing at a local level for promotion and also come up with unique methods to open a showroom along with lucky draws to ensure higher footfalls.

We also have a database of various service providers who are typically engaged in the business of marriage ceremonies providing us information on marriage ceremonies. With the information that we collect, we plan to invite the family of the groom and the bride to visit our showroom for selecting the jewellery of their choice that they may want for the wedding occasion.

To protect our brand and brand image, we do not open or launch any new showroom, unless we are confident of gaining strong revenue traction and sales from such showroom for the next 5 years. Our strong in-house market mapping team does research & catchment area study for almost 6 – 8 months, before a showroom is planned. Subsequent, to the planning of the showroom, the GTM marketing activities are conducted before a showroom is launched to create the interest and awareness amongst the local public. The GTM activities are carried for a period of 60 to 75 days which will help to pull in a larger audience to the showroom on the launch date as well as subsequent sales.

We position ourselves as a jewellery retailer of 'Relationships, by Design' and connect with target groups through exhibitions to understand the taste and preference of the customers. We also do promotional campaigns through a unique idea of knowing the customers in and around the locality and personally showcase our product and services, which give assurance of conversion to prospective sales. Also, during any new product or showroom launches the team targets the location, where they meet the customers with various promotional materials like catalogues, flyers, calendars to convey the message of the campaign (*Source: Technopak Report*).

Website and Social Media

We have a dedicated team which is focused on customer relations and marketing through our website www.vaibhavjewellers.com and other social media platforms. As with our other marketing channels, we implement our localisation strategy, through region specific offerings in our online marketing campaigns, catering to the need and understanding of the customers.

Customer Data

Our customer database allows us to understand customer consumption choice, style, patterns and preferences, enabling our specific targeted advertising campaigns and hence influencing our merchandising strategy on a very specific manner. We are able to target customers through promotional SMS messages, WhatsApp messages, specific promotional and new collection e-mails and many a times through phone calls in order to inform customers of promotions and sales that are of particular interest and relevance to them, along with giving information on offers and new collections. This also helps augment our brand image. We also intend to further build our relationships with external agencies that assist us with analytics in order to use data more effectively and to target new uses and methods of analyzing customer data and enhance our methodology of advertisement and promotion making it more robust and specific.

Online Sales

We also sell our products through our online platform. Our e-commerce platform along with our presence in various market places provide us the leverage and the bandwidth to reach out to customers across various parts of the globe and thus enhancing our customer portfolio. Apart from India, our main customers from the e-commerce and market place platforms are based out of USA, Canada and United Kingdom.

Our sales from the e-commerce platform avenue have increased from ₹41.66 million in the Financial year 2018-2019 to ₹ 286.86 million in the Financial year 2021 -2022. This rise in sales in last 3 years makes us believe that that our E-commerce tools and market place platform are definitely a reason for our profitability and scalability and in improving our brand positioning in future to new markets and horizons in and outside India. One of our prime focus area is to provide a live inventory experience to our customers through our e-commerce platform. The live inventory experience software allows our customers to try all the jewellery sitting at home, just like a real-life experience in showroom. This allows a customer to select and choose any design of their preference and the same can be booked and delivered to their door step.

Competition

We face competition from both organised and unorganised players in the Indian jewellery industry and mainly jewellery companies who compete with us on a regional level in Andhra Pradesh and Telangana. We believe we are well-positioned to compete with both organised and unorganised jewellery companies given our localisation strategy where we tap into local demand, preferences and consumer trends. We have established a strong presence in the micro markets of Andhra Pradesh and Telangana with strong brand recognition and quality assurance of the products we offer.

Managing and Security of the Inventory

Managing the inventory

One of the most important part of our business is to manage the quantum and composition of our inventory efficiently. The processes and systems that we have put in place for inventory management are agile and robust. 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 efficient to handle the inventory and its movement during peak times such as wedding seasons and specific festival times such as Dhanteras, Akshaya Trithiya, Dussehra, Diwali and Ugadhi.

We have strict inventory management and monitoring practices in place that allow us to account for each piece of inventory. Our inventory is transported through logistics companies to our SCM office at Visakhapatnam. On receipt of the inventory in Visakhapatnam, the inventory is verified for their quantity against the respective invoice. Once checked, the GRN (Goods Receipt Note) will be generated for the inventory received. The inventory is thoroughly verified for jewellery sheen, design intricacy, breakage and chipping etc. The inventory is then sent for unique individual bar coding. Bar coded inventory is tallied with GRN weight and GRN reconciliation. The verified inventory is then allocated as per the material plan to respective showrooms while bar coding or after bar coding, as the case may be. Once the aforesaid process is complete, the inventory is ready to be dispatched to the respective showrooms. Stock Transfer Note (STN) for movement of the inventory is duly prepared for the respective inventory.

Our jewellery is typically identified with a unique barcode. No two bar codes are similar or identical and thus creates a unique record system for each inventory. We utilise computer systems in each of our showrooms to track and monitor each piece of inventory. A barcode inventory check is completed for a specific section of jewellery products each day before closing keeping the details in opening and closing log book and matching it with the sales of the day to ensure that all inventory is in record and nothing is misplaced. Our entire inventory is scanned, verified, confirmed and audited at regular intervals to ensure efficiency.

We have robust re-ordering process for replenishment of jewellery sold along with planned orders for future delivery to the vendors so that the stock is maintained. We have a dedicated stock audit team who conduct surprise stock checks across all retail showrooms on a random basis and check the quantity in terms of weight and numbers along with any damages to the stock which is on display and also in the stock room.

Quality check is a priority for SCM Team and every item received from the vendor is checked for hall marking and also check for any damages before sending to the counters for sale across all retail showrooms. Replenishment of stock at a faster speed is a challenge for the SCM department and our ordering process is robust and ensures stock availability especially during the season times such as marriages and festivals etc.

Plain gold jewellery has faster turns when compares to premium gold jewellery and our ordering process are designed accordingly. We also have a separate system of ordering plain gold and premium gold jewellery and it is purely based on turns given by each product in those categories.

Security

We have implemented strict security procedures to ensure our inventory is maintained securely and is not subject to any theft, misplacement or loss of inventory. Each of our showrooms is equipped with closed-circuit surveillance cameras linked to a digital video recorder at every place and specifically at entry, exit, display and point of sale. Our security surveillance system is state of the art and takes care of every entry and exit point and points of sale. Our flagship showroom at Vishakapatnam has a separate surveillance room that can view the movements of not only the Vishakapatnam showroom, but also all of our other retail showrooms across Andhra Pradesh and Telangana. Our systems allow our local and regional management to analyse inventory status and product sales across all our showrooms and report performance in real time, which can then be reviewed by our senior management team, allowing them to provide necessary course corrections and strategic guidance. Further, these tools are especially very essential and useful during peak seasons and festivities including but not limited to Dhanteras, Akshay Tritiya, Dussehra and Diwali.

Our showrooms are equipped with a multi-level lock enabled state of the art vaults at every floor to ensure the security of the inventory once the showroom is closed and with a full-time surveillance of the closed showroom also.

All of our jewellery in transit is fully insured and mostly handled through secured third-party carriers. We have dedicated team of vigilance officers who are on 24/7 surveillance across all retail showrooms. Along with the surveillance we also have movement sensors installed at all exit doors along with the sensor at stock room.

Technology

We have implemented a range of technologies throughout our operations with the aim of enhancing the experience of our customers and improving the efficiency of our operations. We have a centralised customer relationship management system ("CRM") which enables us to utilise advanced analytics to understand customer behaviour, preferences, choice, and purchase patterns. This enables us to develop personalised marketing tool targeted to our various genre of customers and to offer customers products and promotions that may be of specific interest to them based on their choice and preference.

Our technology provides a live inventory experience to our customers through our e-commerce platform. The live inventory experience allows our customers to try all the jewellery on her sitting at home, just like a real-life experience in showroom. This allows a customer to select and choose any design of their preference and the same can be booked and delivered to their door step.

Furthermore, all our employees are digitally empowered with our corporate human resource application. Functionalities including attendance punching, leave requests, announcements, surveys, feedback, training and targets are all routed and supported through this application.

Our Company uses Tally ERP software for its accounting related requirements and JILABA software for our stock and point of sale related requirement.

Steps taken towards energy sustainability and reduction of carbon footprint:

Our Company believes in identifying ways to ensure energy sustainability and is working towards a greener and better planet. Keeping this in mind, we have set up our own in house green energy saving initiative at our flagship showroom in Vishakhapatnam (V Square). As a part of our initiatives undertaken in energy and management conservation, we have followed the process and steps of energy monitoring and automation system, optimization of cooling generation efficiency, optimization of cooling utilization and energy efficient lighting and ventilation.

For the aforesaid processes, we have initiated smart building management system, chiller plant optimization, new energy efficient cooling system, energy efficient condenser water pumps, energy efficient chilled water pumps, load based operation using VFD (Variable Frequency Drives), high side optimization: mitigation of water quality issues, high side optimization: Installation of pH meter and TDS meter, low side optimization: VFDs for AHUs.

The company has saved about 579,196 units of energy through this process in the calendar year of 2021. This increases the availability of energy in the grid, which in turn reduces the power outage and makes electricity more available to others. About

536 rural homes can be catered with the energy saved, considering that 90 kWh/month consumption for a household. The Company has also saved on the maintenance cost associated with multiple equipment like chillers, pumps, lights and fans. With this process, the Company has reduced about 602 tons of CO2 emission in the calendar year 2021 through energy savings initiatives, and thus contributing to a greener and cleaner environment. We have also installed solar panels in our Rajahmundry showroom with an intention and motive to save electric consumption and donate towards a greener planet as a small step.

Insurance

All our products are insured. We have purchased comprehensive insurance in order to manage the risk of losses from potentially harmful events, including:

Type of Policy	Name of Policy	Insurance Provider	Policy Tenure and Expiry Date	Coverage	Sum Insured (in ₹ million)
Group Mediclaim Policy	Group Activ Health	Aditya Birla Health Insurance Co. Ltd.	Tenure: 1 year Expiry Date: 22/08/2023	Group Mediclaim	Variable Cover
ICICI Lombard Nibhaye Vaade	Group Personal Accident Policy	ICICI Lombard General Insurance Company Limited	Tenure: 1 year Expiry Date: 03/05/2023	Death, Permanent Total Disablement, Permanent Partial Disablement, Temporary Total Disablement	98.20 million
Jewellers Block Protector Policy	IFFCO - TOKIO Jewellers Block Protector Policy	IFFCO TOKIO General Insurance Co. Ltd. (Lead – 60%) ICICI Lombard General Insurance Company Limited (12%) Reliance General Insurance Company Limited (8%) and Future General India Insurance Co. Ltd. (20%)	Tenure: 1 year Expiry Date: 03/08/2023	a. Stocks at business premises b. Stock Insured/Employee (Sec IBI) c. Air-freight d. Other Contents e. Building f. Fixed Glass / Sanitary Fitting g. Personal Accident h. Public Liability i. Workmen's Compensation j. Money k. Electronic Equipment l. Neon and Illuminated Signs	Total Stocks: 8,100.00 million Building and others: 333.41 million Money in safe/transit 50.00 million
Jewellers Block Protector Policy	IFFCO - TOKIO Jewellers Block Protector Policy (Sabotage and Terrorism)	IFFCO TOKIO General Insurance Co. Ltd. (100%)	Tenure: 1 year Expiry Date: 03/08/2023	Stocks at business premises	Total Stocks: 5,000.00 million

Burglary Insurance Policy (Corporate Office)	Burglary Insurance	SBI General Insurance Company Limited	Tenure: 1 year Expiry: 13/10/2022	a. a. Contents b. Injury during burglary and/or housebreaking c. Clothing and personal effects d. Damage to safe and/or strong room	39.72 million
Standard Fire & Special Perils	SBI General Bharat Laghu Udyam Suraksha	SBI General Insurance Company Limited	Tenure: 1 year Expiry: 13/10/2022	a. a. Building including plinth, basement and additional structures b. Contents c. Plant & Machinery (Sookshma/ Laghu)	70.36 million
Fire and Special Perils and Burglary (V Square)	Business Guard Commercial	Tata AIG General Insurance Company Limited	Tenure: 1 year Expiry: 31/03/2023	a. a. Fire and Special Perils b. Burglary	a. Fire and Special Perils – 750.00 million b. Burglary – 520.27 million
SBI Life – Smart Shield Level Term Assurance	Keyman Insurance for Bharata Mallika Ratna Kumari Grandhi	SBI Life Insurance Company Limited	Tenure: 25 years Expiry: 28/12/2037	Payable upon death of assured	500.00 million
BSLI DigiShield Plan	Life Insurance for Satish Ramanujakoodam	Aditya Birla Sun Life Insurance Company Limited	Tenure: 30 years Expiry: 21/09/2050	Payable upon death of assured	100.00 million

Employees

As of August 15, 2022, we had 931 employees employed across all our locations. The following table provides a breakdown of our employees:

Location	As of August 15, 2022	
	Number of employees	**% of total**
Retail Showrooms	846	90.87
Registered and Corporate Office	85	9.13
Total	**931**	**100.00**

We recruit employees through advertisements, recruitment agencies/portals, universities and colleges and also through employee referrals.

Our sales staff in our showrooms undergo training to ensure they are maintaining our brand standards and our commitment to trust and transparency along with ensuring that they market our brand and product by word of mouth. All employees undergo training both at hiring as well as periodically thereafter within their particular domains to ensure efficiency at the highest level. In addition, sales staff are provided general training sessions at least once a year as well as periodic specialised training sessions to target specific areas of improvement and development based on customer feedback and market requirement. We incentivise our sales staff by linking a significant portion of their compensation to sales, as well as referrals and also marketing.

Intellectual Property

We have obtained trademarks registrations in India and following is the list of the trademarks registered by our Company is provided below:

Sl. No.	Trade Mark	Class	Application Number	Renewal Date
1	**Y?**	14	2642570	December 13, 2023
2	**Y?**	35	2642571	December 13, 2023
3		14	2642572	December 13, 2023
4		35	2642573	December 13, 2023
5	**V KIDS**	14	2642574	December 13, 2023
6	**V KIDS**	35	2642575	December 13, 2023
7		14	2642576	December 13, 2023
8		35	2642577	December 13, 2023
9	వైభవ్	14	1572993	June 26, 2027
10		35	1572994	June 26, 2027
11		36	1572990	June 26, 2027
12	VAIBHAV JEWELLERS	14	1572995	June 26, 2027
13		35	1572996	June 26, 2027
14	**VAIBHAV**	14	1572997	June 26, 2027
15	**VAIBHAV**	35	1572998	June 26, 2027
16	**VAIBHAV**	36	1572991	June 26, 2027
17	VAIBHAV EMPIRE	36	1572992	June 26, 2027

18	V SQUARE	35	1620057	November 12, 2027
19	VJ	14	3608629	August 8, 2027
20	VJ	35	3608630	August 08, 2027
21	VAIBHAV JEWELLERS	14	3608631	August 8, 2027
22	VAIBHAV JEWELLERS	35	3608632	August 8, 2027
23	YEWELRY	14	3661144	October 23, 2027
24	YEWELRY	35	3661145	October 23, 2027
25	VAIBHAV VISMAYA	14	3785969	March 23, 2028
26	VAIBHAV VISMAYA	35	3785970	March 23, 2028
27	VISESHA	14	3785972	March 23, 2028
28	VISESHA	35	3785973	March 23, 2028
29	VISESHA	14	3979719	October 22, 2028
30	VISESHA	35	3979720	October 22, 2028

In connection with our intellectual property, see "***Risk Factors – We may not be able to protect our trademarks from infringement***" on page 47.

Properties

Our Registered Office and our flagship showroom at Door No. 47-15-8, Opp: TSR Complex, Dwarakanagar, Visakhapatnam, our Corporate Office at Door No. 47-10-19, 2nd Lane, Dwarakanagar, Visakhapatnam, our back office support at A-1 and A-17 Pavan Palace, Door. No. 47-15-7, Dwarakanagar, Visakhapatnam and our plot at Near Door No. 27-10, Near Rushikonda Vuda Layout, Madhurawada is owned by us as freehold properties.

Our flagship showroom is owned by the Company and remaining showrooms and franchisee showrooms are on a leasehold basis. For our showrooms, we enter into a long-term lease for a period ranging between 5 to 15 years depending on the location, negotiations with lessor and feasibility.

We also have an office in Mumbai situated at Gala No. 53, 2nd Floor, The Sidhpura Co Operative Industrial Estate Limited, Goregaon (West), Mumbai 400062, Maharashtra exclusively to cater to our business from e-commerce platform.

Corporate Social Responsibility

We have adopted a Corporate Social Responsibility ("**CSR**") policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. We believe that our CSR initiatives contribute to our overall strategy of engaging with our customers and localizing our brand and also giving back to the society and planet which is something that we strongly believe in doing. We have contributed to CSR initiatives across various domains as provided below.

Throughout the COVID-19 lockdown and after that, one of our objectives have been to ensure the safety and better health of our customers and employees. We have engaged in various corporate social responsibility related activities during such time such as providing food, energy drinks to volunteers and police personnel who were on the ground providing the humanitarian services during COVID -19 times. We also conducted blood donation camps and drives to help COVID -19 patients. We have also conducted vaccination drive for our employees and customers.

We take up CSR activities in the sectors of education, health care and rural development for the deserving and our focus is more in and around local areas wherever our retail showrooms are located. We have a dedicated CSR team who conduct analysis, collect data and information and identify the requirement from the ground level and reconfirm with the local heads of the village or city about the requirement and submit the proposal for execution of CSR activities.

All the CSR activities are taken up with the support of the concerned local administration in the city or village in which the Company is spending CSR funds.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain key regulations, statutes, circulars, directions and policies which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The descriptions of the applicable statutes, regulations, circulars, directions and policies set out below are not exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Taxation statutes such as the Income Tax Act, 1961, the Customs Act, 1962, the relevant goods and services tax legislation and applicable shops and establishments statutes apply to our Company as they do to any other company in India.

For details of government approvals obtained by our Company, see "*Government and Other Approvals*" on page 326.

<u>Key Indian Regulations applicable to our Company</u>

Trade Related and Foreign Investment Laws

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 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. The GJEPC has been notified as the nodal agency for trade in rough diamonds. The KPCS is a joint government, international diamond industry 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. 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.

RBI 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.

Foreign Trade (Development and Regulation) Act, 1992

The Foreign Trade (Development and Regulation) Act, 1992 ("**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 (2015-2020)

The revised foreign trade policy for the period of 2015- 2020 issued by the Ministry of Commerce and Industry, GoI includes gems and jewellery within a separate scheme for exporters of gems and jewellery. For the gems and jewellery sector, the foreign trade policy for the period of 2015-2020 provides for broadly four schemes in relation to exports of gems and jewellery (i) advance procurement / replenishment of precious metals from nominated agencies; (ii) replenishment authorisation for gems; (iii) replenishment authorisation for consumables; and (iv) advance authorisation for precious metals.

Certain agencies have been permitted to import diamonds to their laboratories without any import duty, for the purpose of certification or grading reports, with a condition that the same should be re-exported with the certification or grading reports, as per predetermined procedure. Additionally, nominated agencies and their associates, with approval of Department of Commerce and the GJEPC, may export gold, silver or platinum jewellery and articles thereof for exhibitions abroad. Personal carriage of gems and jewellery export parcels by foreign bound passenger, and import parcels by an Indian importer or foreign national may be permitted.

The Ministry of Commerce and Industry, GoI has by way of notifications dated March 31, 2020, March 31, 2021, September 28, 2021 and March 31, 2022, extended the period of the foreign trade policy for 2015-2020 and it will now remain in force until September 30, 2022.

Foreign Investment in India

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Rules**") and the Consolidated FDI Policy (effective from August 28, 2017) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion ("**FDI Policy**"), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulate mode of payment and remittance of sale proceeds, among others.

100% foreign investment under the automatic route, *i.e.*, without requiring prior governmental approval, is permitted in the manufacturing sector.

The FDI Policy and the FEMA Rules prescribe *inter alia* the method of calculation of total foreign investment (*i.e.*, direct foreign investment and indirect foreign investment) in an Indian company.

Overseas Investment

Direct investment by Indian residents in foreign entities is governed, *inter alia,* by the Master Direction of RBI on Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad dated January 1, 2016, as amended ("**Master Directions**"). These Master Directions govern direct investment outside India, either under the automatic route or the approval route, by way of contribution to the capital or subscription to the memorandum of a foreign entity or by way of purchase of existing shares of a foreign entity either by market purchase or private placement or through stock exchange, signifying a long-term interest in the foreign entity, engaged in any *bona fide* activity.

Investment by FPIs

In terms of the FEMA Rules and the SEBI (Foreign Portfolio Investors) Regulations, 2019 ("**SEBI FPI Regulations**"), investments by FPIs under the FPI route in the capital of an Indian company is subject to certain limits, i.e., the individual holding of an FPI including its investor group (as defined under the FEMA Rules and the SEBI FPI Regulations) is restricted to below 10% of the total paid up equity capital of the company on a fully diluted basis and below 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by the Indian company. Further, in terms of the FEMA Rules, with effect from the April 1, 2020, the aggregate limit for investments by FPIs in an Indian company is the sectoral cap applicable to the Indian company, with respect to its paid-up equity capital on a fully diluted basis or such same sectoral cap percentage of paid up value of each series of debentures or preference shares or share warrants. As stated above, foreign direct investment in companies engaged in the manufacturing sector is permitted up to 100% of the paid up share capital of such company under the automatic route.

Labour Law Legislation

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

1. Contract Labour (Regulation and Abolition) Act, 1970
2. Employees' Provident Funds and Miscellaneous Provisions Act, 1952
3. Factories Act, 1948
4. Employees' State Insurance Act, 1948
5. Minimum Wages Act, 1948
6. Payment of Bonus Act, 1965
7. Payment of Gratuity Act, 1972
8. Payment of Wages Act, 1936
9. Maternity Benefit Act, 1961
10. Industrial Disputes Act, 1947
11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
12. Employees' Compensation Act, 1923
13. The Child Labour (Prohibition and Regulation) Act, 1986
14. The Equal Remuneration Act, 1976
15. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
16. Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996
17. Industrial Employment (Standing Order), Act, 1946
18. The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001
19. The Code on Wages, 2019*
20. The Occupational Safety, Health and Working Conditions Code, 2020**
21. The Industrial Relations Code, 2020***
22. The Code on Social Security****

** The GoI enacted 'The Code on Wages, 2019' which received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the GoI brought into force sections 42(1), 42(2),42(3), 42(10), 42(11), 67(ii)(s), 67(ii)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the GoI) and 8 of the Minimum Wages Act, 1986)) of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.*

*** The GoI enacted 'The Occupational Safety, Health and Working Conditions Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume several separate 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 GoI enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*

***** The GoI enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume several separate 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 Unorganised Workers' Social Security Act, 2008.*

Intellectual Property Laws

The Patents Act 1970 (the "Patents Act")

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

Trade Marks Act, 1999

The Trade Marks Act, 1999 (the "**Trade Marks Act**") provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement and for commercial purposes as a trade description. Application for trademark registry has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It alsoprovides for penalties for infringement, falsifying and falsely applying trademarks.

Applications for a trademark registration can be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. The mark lapses in ten years unless renewed. The Trade Marks Act enables Indian nationals as well as foreign nationals to secure simultaneous protection of trademarks in other jurisdictions.

The Copyright Act, 1957

The Copyright Act, 1957, along with the Copyright Rules, 2013 ("**Copyright Laws**") governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Laws acts as a prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

Design Act, 2000

The Design Act, 2000 ("Design Act") consolidates and amends the law relating to the protection of designs which came into force on May 11, 2001. Design Act is a complete code in itself and is statutory in nature and protects new or original designs from getting copied which cause loss to the proprietor. The proprietor upon registration gets 'copyrights in design' for the period of 10 years from the date of registration which can be renewed for a second period of five years, before the expiration of original period of 10 years. The controller registers a design under this Act after verifying that the design of any person, claiming to be the proprietor, is the new or original design not previously published anywhere in any country and is not against any public policy or morality. Any obvious or fraudulent imitation of a design, which is already registered, without the consent of its proprietor, is unlawful. It also prohibits the import of any material which closely resembles a registered design.

Miscellaneous Laws

The Legal Metrology Act, 2009

The Legal Metrology Act, 2009 ("**Legal Metrology Act**") seeks 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. The Legal Metrology Act provides that for prescribed specifications all weights and measures should to be based on metric system only. Further, the Legal Metrology Act lays down penalties for various offences, including but not limited to, use or sale of non-standard weight or measure, contravention of prescribed standards, counterfeiting of seals andtampering with license.

The Bureau of Indian Standards Act, 2016

The Bureau of Indian Standards Act, 2016 ("**BIS Act**") provides for the establishment of a national standards body for the harmonious development of the activities of standardization, conformity assessment and quality assurance of goods, articles, processes, systems and services. Under the BIS Act, the Central Government, after consulting the Bureau of Indian Standards ("**BIS**"), can notify which precious metal articles or other goods or articles are required to be marked with a 'Hallmark' or 'Standard Mark', subject to certain conditions for sale and testing of such articles. Under the BIS Scheme, the Government of India has identified the 'Bureau of Indian Standards' as the sole agency in India to operate the BIS Scheme which aims to ensure that quality control is built in the system in alignment with the international criteria on hallmarking. Functions of the bureau include, *inter-alia*, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. The bureau is also the licensing authority for quality standards.

Bureau of Indian Standards (Hallmarking) Regulations, 2018 ("BIS Hallmarking Regulations")

The Bureau of Indian Standards (Hallmarking) Regulations, 2018 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, which shall come into effect on January 15, 2021, prescribes that gold jewellery and gold artefacts 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 Bureau of Indian Standards (Hallmarking) Regulations, 2018. 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 and an article with weight less than two grams.

Special Economic Zone

A SEZ is a geographically bound duty free zone for the purposes of trade and operations. SEZs were first introduced in April, 2000 as a part of the Export-Import Policy. The Special Economic Zones Act, 2005 (the "**SEZ Act**") and the Special Economic Zones Rules, 2006 (the "**SEZ Rules**") simplified the procedure for development, operation and maintenance of the SEZs and for the setting up of and conducting business in the SEZs. Under the SEZ Act and the SEZ Rules, the incentives and facilities offered to the SEZ units include:

a. exemption from payment of taxes, duties or cess for any goods or services exported out of, or imported into, or procured from SEZs by SEZ units or developers, subject to the terms, conditions and limitations as may be prescribed, under the enactments specified in the SEZ Act; and

b. 100% income tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act, 1961 for the first five assessment years, 50% for the next five assessment years thereafter and 50% of the ploughed back export profit for the next five assessment years.

However, in accordance with Section 10AA of the I.T. Act read with the Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020 and the notification dated June 24, 2020 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, only SEZ units, which begin manufacturing or producing articles or things or provide any services prior to September 30, 2020,in a case where the letter of approval, required to be issued in accordance with the provisions of the SEZ Act has been issued on or before March 31, 2020, shall be eligible for the incentive referred to in (b) above.

For setting up a unit in an SEZ, a letter of approval has to be obtained from the Development Commissioner of the concerned SEZ. The grant of a letter of approval is dependent upon the unit meeting certain terms and conditions, as set out in the SEZ Act and the SEZ Rules. Such conditions include, among other things, the achievement of positive net foreign exchange to be calculated cumulatively for a period of five years from the commencement of production, in accordance with the formula set out in the SEZ Rules and the execution of a bond-cum-legal undertaking with regard to its obligations pertaining to proper utilization and account of goods, imported or procured duty free and the achievement of positive net foreign exchange.

Environmental Legislations

Environment (Protection) Act, 1986 (the "EP Act"), Environment Protection Rules, 1986 (the "EP Rules") and Environmental Impact Assessment Notification, 2006 (the "EIA Notification")

The EP Act has been enacted for the protection and improvement of the environment. EP Act empowers the government to take all measures to protect and improve the quality of environment, such as by laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate and laying down safeguards for handling hazardous substances, amongst others. It is in the form of an umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessary rules and regulations. Further, the EP Rules specifies, among other things, the standards for emission or discharge of environmental pollutants, restrictions on the location of industries and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. It is a specialised piece of legislation which was enacted to take appropriate steps for the preservation of natural resources of the earth, which among other things include the preservation of the quality of air and control of air pollution. Not all provisions of the Air Act apply automatically to all parts of India, and the state pollution control board must notify an area as an "air pollution control area" before the restrictions under the Air Act apply. 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. Further, such an industrial plant shall not be permitted to emit air pollutants in excess of the standards laid down by the state pollution control board.

Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act was enacted to control and prevent water pollution and for maintaining or restoring of wholesomeness of water in the country. The objective of this legislation is to ensure that the domestic and industrial pollutants are not discharged into rivers and lakes without adequate treatment. The reason is that such a discharge renders the water unsuitable as a source of drinking water as well as for the purposes of irrigation and support of marine life. In order to achieve its objectives, the Pollution Control Boards at Central and State levels were created to establish and enforce standards for factories discharging pollutants into water bodies. Further, 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.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

The Hazardous Waste Rules, read with the EP Act, ensure resource recovery and disposal of hazardous waste in an environmentally sound manner. A categorical list of hazardous wastes has been provided in the schedules in the Hazardous Waste Rules. The term "*hazardous waste*" has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an "occupier". Further, the occupier has been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in his establishment and shall require authorisation for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste from the concerned state pollution control board. The occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

The Consumer Protection Act, 2019

The Ministry of Consumer Affairs, Food and Public Distribution ("**Ministry of Consumer Affairs**") notified certain sections of the Consumer Protection Act, 2019 ("**COPRA**") by way of the notification dated July 15, 2020 (with effect from July 20, 2020), including sections regulating the formation and functioning of the Consumer Protection Council at the national, state and district levels, the formation and functioning of Consumer Dispute Redressal Commissions at the national, state and district levels, mediation of consumer disputes, product liability actions and punishment for manufacturing for sale or storing, selling or distributing orimporting products containing adulterants and spurious goods.

The COPRA provides a mechanism for the consumer to file a complaint against a product manufacturer, seller or service provider in cases of unfair contract or trade practices, restrictive trade practices, defected goods, goods which are hazardous or likely to be hazardous to life being sold in contravention to safety standards, deficiency in services and price charged being unlawful. It also places product liability on a manufacturer or product service provider or product seller, to compensate for any harm caused by defective product or deficiency in services. It provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA will, *inter alia*, also introduce a Central Consumer Protection Authority to regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements, which are prejudicial to the interests of public and consumers and promote, protect and enforce the rights of consumers. The COPRA has also brought e-commerce entities and their customers under its purview including providers of technologies or processes for enabling product sellers to engage in advertising or selling goods or services to a consumer, online market places and online auction sites.

The Ministry of Consumer Affairs issued the Consumer Protection (E-Commerce) Rules, 2020 ("**E-Commerce Rules**") under the COPRA on July 23, 2020 which govern the online sale of goods, services, digital products by entities which own, operate or manage digital or electronic facility or platform for electronic commerce ("**E- Commerce Entities**"), all models of e-commerce (including marketplace or inventory based), and all e-commerce sellers. The E-Commerce rules lay down the duties and liabilities of E-Commerce Entities and e-commerce sellers.

Income Tax Act, 1961

The Act provides for the scope and machinery for levy of Income Tax in India. The Act is supported by Income Tax Rules, 1961 and several other subordinate and regulations. Besides, circulars and notifications are issued by the Central Board of Direct Taxes (CBDT) and sometimes by the Ministry of Finance, Government of India dealing with various aspects of the levy of Income tax. Unless otherwise stated, references to the sections will be the reference to the sections of the Income Tax Act, 1961. Income tax is a tax on the total income of a person called the assessee of the previous year relevant to the assessment year at the rates prescribed in the relevant Finance Act.

The 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.

Competition Act, 2002

The Act aims to establish the legal framework and mechanisms necessary to ensure that competition policies are followed, to prevent anti-competitive conduct, and to punish those who do so. The Act safeguards free and fair competition, as well as trade freedom. The Act aims to prohibit monopolies as well as government interference that isn't necessary.

Energy Conservation Act, 2012

The Act enables the administration to indicate standards and principles of energy efficiency to be followed by various industries in their utilization of power. Standards and measures of energy efficiency and conservation are likewise to be set for apparatuses and hardware and the development of a building. The Act enables state governments to authorize its different provisions. The Act enables the administration to indicate standards and principles of energy efficiency to be followed by various industries in their utilization of power. Standards and measures of energy efficiency and conservation are likewise to be set for apparatuses and hardware and the development of a building.

FEMA Regulations

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 FIPB 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, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. 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 Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

Goods and Services Tax Act, 2017

The Government of India has introduced the GST regime with effect from July 1, 2017. As per Section 8 of the CGST Act, selling gold ornaments or jewellery to the common man is a composite supply of goods and services. The gold used is considered goods and making charges or value addition is towards job work. Since the principal supply is the sale of gold, the GST rate of 3% shall be levied instead of 5% on the total value of jewellery, whether or not making charges is shown separately. A GST exemption was announced at the 31st GST Council meeting on 22 December 2018. Accordingly, GST is not charged for the supply of gold made by the notified agency to GST-registered gold jewellery exporters. The move has minimised the GST burden on Indian exporters of gold jewellery and probably made Indian gold exports more competitive on the world market. The jeweller or gold merchant can claim Input Tax Credit (ITC) paid on the raw materials used, i.e., gold and other job work charges incurred. Even when the gold merchant pays tax on a reverse charge basis for supply from an unregistered job worker, he can claim the ITC on such tax.

Micro, Small and Medium Enterprises Development Act, 2006

The Micro, Small and Medium Enterprises Development Act, 2006 aims at facilitating the promotion, development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith or incidental thereto. All classes of enterprises, whether Proprietorship, Hindu undivided family, Association of persons, Co-operative society, Partnership firm, Company or Undertaking, by whatever name called can apply for the registration and get qualified for the benefits provided under the Act.

Andhra Pradesh Industrial Policy 2020-23

The Government of Andhra Pradesh ("AP Government") recently unveiled its new Industrial Policy 2020-23 with the aim of providing incentives and an investment-friendly environment for certain industries in the state. The Policies are intended to support and facilitate industry – include infrastructural interventions (related to the development and management of industrial parks), ease of doing business measures (such as creation of a single desk portal for approvals, deemed approvals for certain industries), improving labour access / skilling, developing a support centre for entrepreneurs, incentives (such as GST reimbursements for certain industries), and special incentives for socially disadvantaged groups such as women, members of the scheduled caste, scheduled tribes and other communities.

The Andhra Pradesh Shops and Establishment Act, 1988

The Act applies to all the factories, shops, commercial establishments, restaurants, theatres, societies and trusts and provides a threshold to working conditions of an employee in any commercial establishment with respect to working hours, holidays, annual leaves, wages and compensation, employment of women and children, and other HR aspects. An establishment can obtain the registration certificate from the chief inspector of the Shops Act, or from other inspectors delegated to the area where the establishment runs the business.

Andhra Pradesh Value Added Tax Act, 2005

The Commercial Tax Department of AP is in charge of levying and collecting tax in the state, with the Andhra Pradesh VAT Act of 2005 forming the basis for such collection. VAT rates in Andhra Pradesh vary according to the product being traded, with different Schedules of the AP VAT Act containing different rates. Commodities under Schedule III attract a VAT of 1%, with some of the major items under this category being jewellery, precious stones, precious stones and bullion.

The Telangana Shops and Establishment Act, 1988

The Act applies to all the factories, shops, commercial establishments, restaurants, theatres, societies and trusts and provides a threshold to working conditions of an employee in any commercial establishment with respect to working hours, holidays, annual leaves, wages and compensation, employment of women and children, and other HR aspects. An establishment can obtain the registration certificate from the chief inspector of the Shops Act, or from other inspectors delegated to the area where the establishment runs the business.

Telangana Value Added Tax Act, 2005

The Commercial Tax Department of Telangana is in charge of levying and collecting tax in the state, with the Telangana VAT Act of 2005 forming the basis for such collection. VAT rates in Telangana vary according to the product being traded, with different Schedules of the Telangana VAT Act containing different rates. Commodities under Schedule III attract a VAT of 1%, with some of the major items under this category being jewellery, precious stones, precious stones and bullion.

The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017

The Act applies to all the factories, shops, residential hotels, commercial establishments, restaurants, eating houses, theatres, societies and trusts and provides a threshold to working conditions of workers in any commercial establishment with respect to working hours, holidays, annual leaves, wages and compensation, employment of women and children, and other HR aspects. An establishment can obtain the registration certificate from the Chief Facilitator of the Act, or from other Facilitators delegated to the local area where the establishment runs the business.

Information Technology Act, 2000 ("IT Act")

The IT Act was enacted with the sole purpose of providing legal recognition to transactions carried out by the means of various means of electronic data interchange involving alternatives to paper based methods of communication and storage of information. The IT Act also seeks to facilitate electronic filing of documents and create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. The IT Act has extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India.

The Information Technology (Amendment) Act, 2008, which amended the IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorized manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

Information Technology (Reasonable Security Practices and Procedures And Sensitive Personal Data Or Information) Rules, 2011 ("SPDI Rules")

The SPDI Rules have been incorporated under section 43A of the IT Act and provides for a framework which shall be followed by body corporates who store, own, control or operates with the personal data of persons. The body corporate or any person who on behalf of the body corporate collects, receives, possess, stores, deal or handles information of provider of information, shall provide a privacy policy for handling of or dealing in personal information including sensitive personal data or information and ensure that the same are available for view by such providers of information who has provided such information under lawful contract. Such policy shall be published on website of body corporate or any person on its behalf and shall provide for (i) clear and easily accessible statements of its practices and policies; (ii) type of personal or sensitive personal data or information collected; (iii) purpose of collection and usage of such information; (iv) disclosure of information including sensitive personal data or information; and (v) reasonable security practices and procedures.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as a private limited company under the provisions of the Companies Act, 1956 on March 13, 1989 at Hyderabad, Andhra Pradesh as "*Hotel Anant Private Limited".* Our jewellery business was started by our founder Late Mr. Manoj Kumar Grandhi in a showroom at Vishakapatnam in the year 1994 in the form of a proprietorship concern through Manoj Kumar Grandhi (HUF). Subsequently, pursuant to the Memorandum of Understanding dated August 29, 2001, 64,500 equity shares comprising of the 100% shareholding of Hotel Anant Private Limited were acquired by Manoj Kumar Grandhi (HUF) (38,700 Equity shares) and Bharata Mallika Ratna Kumari Grandhi (25,800 Equity shares) respectively. The name of Company was changed to Hotel Anant Limited vide Certificate of incorporation dated March 9, 1998 issued by the Registrar of Companies, Andhra Pradesh on account of the Company becoming a deemed public company. The name of Company was changed to Hotel Anant Private Limited vide Certificate of incorporation dated September 13, 2002 issued by the Registrar of Companies, Andhra Pradesh to our Company regaining its status as a private limited company. The name of our Company was subsequently changed to "*Vaibhav Empire Private Limited*" and a fresh certificate of incorporation was issued by the Registrar of Companies, Andhra Pradesh on June 11, 2003. The name of our Company was again changed to "*Manoj Vaibhav Gems 'N' Jewellers Private Limited*" and a fresh certificate of incorporation was issued by the Registrar of Companies, Telangana on July 4, 2016. Thereafter pursuant to a special resolution passed by our shareholders on April 30, 2022, our Company was converted to a public limited company and our name was changed to "*Manoj Vaibhav Gems 'N' Jewellers Limited*". A fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Andhra Pradesh ("**RoC**") on May 13, 2022.

Changes in our Registered Office

Except as stated below, there has been no change in our registered office of our Company since the date of incorporation:

Effective Date	Details of change	Reason for change
March 15, 2004	The registered office of our Company was changed from 49-10-19, Dwarakanagar, Vishakapatnam-530016 Andhra Pradesh to D. No. 74-9-21, Main Bazar, Eluru, West Godavari District-534001 Andhra Pradesh	For administrative and operational convenience
May 8, 2008	The registered office of our Company was changed from D. No. 74-9-21, Main Bazar, Eluru, West Godavari District-534001 Andhra Pradesh to D. No. 7A-9-21, Main Bazar, Eluru, West Godavari District-534001, Andhra Pradesh	For administrative and operational convenience
July 26, 2022	The registered office of our Company was changed from D. No. 7A-9-21, Main Bazar, Eluru, West Godavari District-534001, Andhra Pradesh to 47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar, Visakhapatnam - 530016, Andhra Pradesh, India	For administrative and operational convenience

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

1. To carry on all or any of the business of gold smiths, silver smiths, jewellers, gem and diamond merchants and of manufacturing and dealing in clocks, watches, jewellery, cutlery and their components and accessories and of producing, acquiring and trading in metals, bullion, gold, diamond, platinum ornaments, silver, silver items, diamonds, all kinds of precious and semi-precious stones, paintings, manuscripts, curios, antiques and objects of art.

2. To carry on the business as manufacturers, producers, processors, makers, inventors, covertors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indentors, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires, or otherwise dealing in all kinds of jewellery made of Gold and its Alloy, Platinum Jewellery, diamond jewellery, silver jewellery made of studded precious stones and semi-precious stones, their components and accessories.

3. To manufacture, design, make, fabricate, deal in, import, procure, buy, sell, stock, export, trade or deal in gold, diamond, platinum, silver or any other kind of jewellery, including gold coins & loose diamonds, lifestyle personal articles such as watches with or without settings, studded & plain and other precious or semi-precious stones & metals and carry on the *business through e-commerce, online shopping portal, physical counters, showrooms, franchisees, stalls or otherwise, in India or elsewhere and also sell them to the consumers through Company's website in India or outside India.*

4. To purchase land, immovable or movable properties and build, alter, plotted development, construct, erect, equip and maintain or replace buildings, houses, flats, shops, and all other works and installations of any description, either on the property of the company or elsewhere.

Amendments to our Memorandum of Association in the last 10 years

Except as stated below, there have been no amendments to our Memorandum of Association in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Date of change/ shareholders' resolution	Nature of amendment
March 31, 2013	Clause V of the Memorandum of Association was amended to sub-divide the nominal value of the equity shares our Company from ₹ 100 each to ₹ 10 each thereby changing the authorised share capital of our Company from ₹ 10,00,00,000 divided into 10,00,000 equity shares of ₹ 100 each to ₹ 10,00,00,000 divided into 1,00,00,000 equity shares of ₹ 10 each.
May 30, 2014	Clause III-B of the Memorandum of Association was amended to insert a new sub-clause 43, after sub-clause 42 and thereby the existing clause 43 was renumbered as sub-clause 44. Sub-Clause 43 is reproduced as hereunder: 43. To carry on the business of trading in, metals including precious metals, precious stones, diamonds, and all other commodities, in spot markets and in futures and all kinds of derivatives of all the above commodities and to become members and participates in trading, settlement and other activities of commodity exchange/s (including national commodity exchange/s) facilitating, for itself or for clients, trades and clearing/ settlement of trades in spots, in futures and in derivatives of all the above commodities permitted under the laws of India.
June 14, 2016	Clause I of the Memorandum of Association of our Company was amended to reflect the change in the name of the Company from Vaibhav Empire Private Limited to Manoj Vaibhav Gems 'n' Jewellers Private Limited.
June 11, 2018	Clause III-A of the Memorandum of Association was amended to insert a new sub-clause 6 after sub-clause 5 of Clause III-A. Sub-clause 6 is reproduced as hereunder: *To manufacture, design, make, fabricate, deal in, import, procure, buy, sell, stock, export, trade or deal in gold, diamond, platinum, silver or any other kind of jewellery, including gold coins & loose diamonds, lifestyle personal article such as watches with or without settings, studded & plain and other precious or semi-precious stones & metals and carry on the business though e-commerce, online shopping portal, physical counters, showrooms, franchisees, stalls or otherwise, in India or elsewhere and also sell them to the consumers through website.* Clause III of the Memorandum of Association was amended to delete sub-clause on other objects. Alteration of the Liability Clause of Memorandum of Association of the Company. *"The liability of the members is limited and this liability is limited to the amount unpaid, if any, on shares held by them."*

<table>
<tr><th>Date of change/ shareholders' resolution</th><th>Nature of amendment</th></tr>
<tr><td>April 30, 2022</td><td>Clause III(A) of the Memorandum of Association of the Company by substituting existing sub-clauses 1 to 6 with the following new sub-clauses 1 to 4.

1. To carry on all or any of the business of gold smiths, silver smiths, jewellers, gem and diamond merchants and of manufacturing and dealing in clocks, watches, jewellery, cutlery and their components and accessories and of producing, acquiring and trading in metals, bullion, gold, diamond, platinum ornaments, silver, silver items, diamonds, all kinds of precious and semi -precious stones, paintings, manuscripts, curios, antiques and objects of art.

2. To carry on the business as manufacturers, producers, processors, makers, inventors, covertors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indentors, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires, or otherwise dealing in all kinds of jewellery made of Gold and its Alloy, Platinum Jewellery, diamond jewellery, silver jewellery made of studded precious stones and semi-precious stones, their components and accessories.

3. To manufacture, design, make, fabricate, deal in, import, procure, buy, sell, stock, export, trade or deal in gold, diamond, platinum, silver or any other kind of jewellery, including gold coins & loose diamonds, lifestyle personal articles such as watches with or without settings, studded & plain and other precious or semi-precious stones & metals and carry on the business through e-commerce, online shopping portal, physical counters, showrooms, franchisees, stalls or otherwise, in India or elsewhere and also sell them to the consumers through Company's website in India or outside India.

4. To purchase land, immovable or movable properties and build, alter, plotted development, construct, erect, equip and maintain or replace buildings, houses, flats, shops, and all other works and installations of any description, either on the property of the company or elsewhere.</td></tr>
<tr><td></td><td>Clause III(B) of the Memorandum of Association of the Company by substituting existing sub-clauses from 1 to 44 with the following new sub-clauses 1 to 37.

1. To enter into agreements and contracts with Indian or foreign individuals, companies or other organisations for technical, financial or any other assistance for carrying out all or any of the objects of the Company.

2. To apply for tender, purchase or otherwise acquire contracts, sub-contractors, licenses, and concessions for all or any of them to undertake, execute carryout dispose of or otherwise turn to an account the same and to subject all or any contracts from time to time and upon such terms and conditions as may be necessary or expedient for carrying out of the objects of the Company.

3. To incorporate, register or such other approvals of the Company in the Country, State or place outside India and to establish branches, liaison office and maintain local registers in India or any part of the world for the purpose of business of the Company.

4. To promote any company or companies, whether in India or abroad, for acquiring all or any of the property, rights and liabilities of the company, or for any other purpose, which may seem directly or indirectly calculated to benefit this company.

5. To open, operate or close stores, showrooms, branch office or offices anywhere in India or outside India as may deem necessary for carrying out all or any of the objects of the Company.</td></tr>
</table>

Date of change/ shareholders' resolution	Nature of amendment
	6. *To buy all kinds of plant, equipment, machinery, software or hardware, apparatus, tools, testing machines, utensils, commodities, substances, articles and things necessary or useful for carrying on the objects of the Company and also generally to purchase, take on lease or in exchange, hire or otherwise acquire any movable or immovable property and any rights or privileges which the company may think necessary or convenient for the purposes of its business and in particular any lands, buildings or any other property.* 7. *To participate in the trade fairs, trade shows, exhibitions, seminars, any other shows or fairs, cultural or other events in India or outside India and to carry out campaigns, advertisement activities online or offline or social media platforms, mass media programmes and to take up such other activities or services in order to promote the business activities of the Company.* 8. *To advertise and adopt means of making known the business of the Company as may seem expedient online or offline or otherwise including by advertising over the internet or any other electronic media, social media and also in print media in the press by circulars, books, pamphlets and price-lists and the conducting of competitions, exhibitions and giving of prizes, rewards and donations etc.* 9. *To employ, appoint, hire or otherwise acquire technical experts, professionals, valuers, or any other persons and other skilled and / or unskilled labour and also to appoint representatives or agents, as may be required from time to time, for any of the purpose or business of the company.* 10. *To sell, improve, manage, develop, exchange, lease, mortgage, franchise, dispose or turn to account or otherwise deal with all or any part of the property and rights of the company.* 11. *To register, apply for, purchase or otherwise acquire and protect, prolong and renew any kind of intellectual property rights, in India or outside India including any patents, trademarks, trade names, designs, copyrights, inventions, licenses, technical knowhow and the like conferring any exclusive or nonexclusive or limited right to use which may seem capable of being used for any of the purpose of the company.* 12. *To open an account or accounts with any person or company, or with any bank or bankers or any other financial institutions and to pay into and withdraw monies from such account or accounts whether there may be credit or otherwise.* 13. *To carry on allied business whatsoever in India or abroad as can in the opinion of the Company be advantageously or conveniently carried on by the Company by way of extension of or in connection with any of the Company's business or as calculated directly or indirectly to develop any branch of the Company's business or to increase the value turn to account any of the Company's assets, property or rights.* 14. *To purchase or otherwise acquire and undertake the whole or any part of the business, property, rights and liabilities of any company, firms or body corporate or person carrying on business which this Company is authorised to carry on or is possessed of rights suitable for the objects of this Company and to purchase, acquire, apply for, hold, sell and deal in shares, stock, debentures or debenture stock of any such person, firm or company and to conduct, make or carry into effect any arrangement in regard to the winding up of the business of any such person, firm or company.* 15. *To amalgamate with any other company having objects altogether or in part similar to those of this company.*

Date of change/ shareholders' resolution	Nature of amendment
	16. To buy, lease or otherwise acquire lands, buildings and other immovable properties and to sell, mortgage or hypothecate or otherwise dispose of all or any of the properties and assets of the Company on such terms and conditions as the Company may think fit. *17. To insure against all risks of all the properties or assets, movable or immovable or otherwise, of the company and the goods and materials bought or sold by the company in connection with its business.* *18. To pay all costs, charges and expenses of and incidental to the formation, promotion, registration and establishment of the Company and issue of its capital including any underwriting or other commission, broker's fee and charges in connection therewith including costs, charges of negotiations and contracts and arrangements made prior to and in anticipation of the formation and incorporation of the Company.* *19. To enter into arrangements with any Government or any other authorities, municipal, local or otherwise, that may seem conducive to the company's objects or any of them and to obtain from any such government or other authority any rights, privileges and concessions which the company may think it desirable to obtain and to carryout, exercise and comply with any such arrangements, rights, privileges and concessions.* *20. To undertake and execute any trust, the undertaking whereof may seem desirable either gratuitously or otherwise.* *21. To draw, make, issue, accept, endorse, discount, execute and negotiate, assign, buy and sell and otherwise deal in cheques, drafts, promissory notes, bills of exchange, delivery orders, hundies, debentures, bonds, bills of lading, railway receipts, warrants and coupons and all other negotiable and transferable securities, instruments and documents and other negotiable or commercial or mercantile instruments connected with the business of the Company.* *22. To accept and receive deposits from shareholders of this Company or from public for fixed period and to provide for withdrawal of the same by such shareholders or public in whatever manner the Company may deem fit but subject to the Rules, if any, prescribed by the Reserve Bank of India and any other laws as applicable to the Company.* *23. To make advances for the purchase of materials, goods, machinery, stores and other articles required for the purpose of the Company and to receive advance from customers on orders subject to the provisions of companies act and other laws applicable to the Company.* *24. To borrow or raise money including from Banks, financial institutions or otherwise, from time to time for any of the purposes of the Company or for the performance or discharge of any obligation or liability of the Company as permitted by the laws applicable to the Company, with or without security or to receive money on deposit at interest or otherwise, in such a manner as the Company may think fit and in particular by the issue of any debt instruments, debentures or debenture stock-perpetual or otherwise including debenture or debenture stock convertible into shares of this or any other company and in security of any such moneys to be borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the property, stock, assets or revenue of the Company present or future, or by such other means including its uncalled capital and to purchase, redeem or pay off any such securities.* *25. To sell, mortgage, assign or lease and in any other manner deal with or dispose of the undertakings or properties of the Company or any part thereof, whether movable or immovable for such consideration as the Company may think fit and in particular for shares, debentures or other securities of any other company having objects altogether or in part similar to those of this Company.*

Date of change/ shareholders' resolution	Nature of amendment
	26. *To improve, manage, work, develop, alter, exchange, lease, mortgage, turn to account, abandon or otherwise deal with all or any part of the land, properties, assets and rights and concessions and the resources and undertakings of the Company, in such manner and on such terms as the Company may determine.* 27. *To fabricate, purchase, construct, take on lease/rent, erect, maintain, modify structures, renovate, machineries, plants, equipments, structurals, carriages related to the business activities of the company and give or take on lease, purchase or otherwise, acquire lands and other properties for the purposes of the Company.* 28. *To train or pay for the training in India or abroad and to place any of the company's employees or any other candidates in the interest and for the furtherance of the company's objects and business.* 29. *To provide for the welfare of the Directors, officers, ex-directors, employees or ex-employees of the Company and the wives, widows, families or dependants or connections of such persons including by building or contributing to the building of houses, dwellings or by grant of money, pensions, gratuity, bonus payment towards insurance or other payment or by creating from time to time, subscribing or contributing to, adding or supporting provident funds or trusts or conveniences and by providing provident funds or trusts or conveniences and by providing or subscribing or contributing towards places of instruction or recreation, hospitals and dispensaries, medical and other attendance and other assistance as the company shall think fit.* 30. *To enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture, reciprocal concession or otherwise with any entity, person, firm, or company carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in or any other business or undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit the Company; and to lend money, to guarantee the contracts of or otherwise assist any person, firm or Company and to take or otherwise acquire and hold shares or securities of any such person, firm or company and to sell, hold, re-issue with or without guarantees or otherwise deal with such shares and securities.* 31. *To execute, provide, give guarantee to secure loans / amounts, of whatsoever nature, borrowed by the company for its own or by any other company / body corporate, carrying any type of business, by way of collateral or any other type of security or by way of pledge / mortgage of assets, whether fixed or floating, or any such kind as may be permitted by the law for the time being in force.* 32. *To create any depreciation fund, reserve fund or any other special fund whether for repairing, improving, extending or maintaining any property of the company or for any other purposes conductive to the interests of the company.* 33. *To invest monies of the Company not immediately required in any government securities, shares, stock, debentures, bonds and/or units of companies, body corporates or mutual funds or any other manner subject to the relevant provisions of the companies act or other laws as applicable to the Company.* 34. *Subject to the provisions of the act, to place, to reserve or to distribute as dividends or bonus among members or otherwise to apply, as the company may from time to time think fit, any money's received by way of premium by the company and any money received in respect of dividends accrued on forfeited shares and money arising from the sale by the company of forfeited shares or from unclaimed dividends.* 35. *To institute, conduct, defend, compound or abandon suits, applications for review or*

Date of change/ shareholders' resolution	Nature of amendment
	revision and legal proceedings of any nature whatsoever by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions, suits and legal proceedings as the directors in their discretion may deem fit. *36. In the event of winding up to distribute any of the property of the company amongst members in specie or in kind and in particular by the distribution of paid up shares or debentures or debenture stock of the company or any other company for bonus or any other payment declared or due but so that no distribution amounting to a reduction of capital shall be except with the sanction (if any) for the time being required by law.* *37. To do all such other acts, things and deeds as are necessary or as are incidental, supplementary or conducive in the opinion of the Company/Board of Directors to the attainment of the main objects of the Company.*
April 30, 2022	Clause I of the Memorandum of Association was amended to reflect the change in the name of the Company pursuant to conversion into a public limited company, from Manoj Vaibhav Gems 'N' Jewellers Private Limited to Manoj Vaibhav Gems 'N' Jewellers Limited.
August 10, 2022	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 10,00,00,000 divided into 1,00,00,000 equity shares of ₹ 10 each into ₹ 550,000,000 divided into 55,000,000 equity shares of ₹ 10.

Major events and milestones

The table below sets forth some of the major events and milestones in the history of our Company:

Financial Year	Event /milestone
2001-02	Acquisition of Hotel Anant Private Limited
2004-05	Acquisition of the proprietary jewellery business of Manoj Kumar Grandhi (HUF) by the Company
2006-07	Obtained ISO 9001:2000 for Quality Management AQA International LLC
	Our revenue from operations touched the milestone of 1,000 million
2007-08	Opening of the Company's flagship store at "V Square", Visakhapatnam, Andhra Pradesh
2008-09	Our revenue from operations touched the milestone of 2,000 million
2010-11	Our revenue from operations touched the milestone of 3,000 million
	Obtaining the Quality Management System – ISO 9001:2008 from AQA International LLC
2011-12	Our revenue from operations touched the milestone of 5,000 million and 10,000 million
2014-15	Opening of Jewellery Showroom at Kakinada, Andhra Pradesh
	Opening of Jewellery Showroom at Gajuwaka, Visakhapatnam
2015-16	Opening of Jewellery Showroom at Rajamahendravaram Andhra Pradesh,
	Opening of Jewellery Showroom at Parvathipuram, Andhra Pradesh
2016-17	Opening of Jewellery Showroom at Bobbili, Andhra Pradesh
	Opening of Jewellery Showroom at Anakapalle, Andhra Pradesh
	Obtaining the Quality Management System – ISO 9001:2015 from BSI
	Opening of Jewellery Showroom at Dilsukhnagar, Hyderabad, Telangana
	Opening of Jewellery Showroom at A.S. Rao Nagar, Hyderabad, Telangana
2018-19	Opening of Jewellery Showroom at Gopalapatnam, Visakhapatnam, Andhra Pradesh
	Launch of the "VISESHA" brand by the Company
	Opening of Franchisee Store at Srikakulam, Andhra Pradesh
	Expansion of the jewellery business of the Company through e-commerce platform
2020-21	Opening of Franchisee Store at Vizianagaram, Andhra Pradesh
2021-22	Our revenue from operations touched the milestone of 15,000 million
2022-23	Opening of New showroom at Tuni, Andhra Pradesh
	Conversion of Company from private limited to public limited

Key Awards, Accreditations or Recognitions

The table below sets forth some of the awards, accreditation or recognitions received by our Company:

Year	Accreditations
2016	• Best Star Retailer by Multimedia Publishers Jewel Trends Mumbai • *100 Iconic Jewellers of India –An Initiative of AOJ and presented by The Art of Jewellery-Certificate of Excellence to acknowledge the accomplishments and valuable contribution. • Won "Regional Retailer of the year 2016-South"- Indian Retail Awards, an event organized by Franchise India • Certificate of Excellence awarded for outstanding contribution to Gems and Jewellery Industry- GJTCI Excellence Award 2016 • Won "India's Small Giants Award 2016-17" amongst the top 40 SME companies internationally, at India Small Giants Award 2016-17, conducted by Ministry of Small & Medium Enterprise and Government of India in association with SME Forum.
2017	• Certificate of Life Membership from Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FAPCCI)
2018	• *On "Power Brands Raising Stars 2018" award, India's Most Powerful Symbol of Brand Excellence at Power Brands Global 2018 Edition: London International Forum for Equality • *Visakhapatnam Best Brand Awards 2018 • Finalist for Best Earring Design over ₹ 500,000, Jaipur Jewellery Show-Jewellers Choice Design Awards
2019	• Certificate of Recognition by Great Manager Institute in partnership with Forbes- Top 50 Companies with Great People Managers in the Great People Manager Study-2019 • Jewel Star 'Retailer of the Gems Jeweller Industry of India' awarded by Jewel Trendz • Retail Ratna Award (Life Style Category) by The Hans India • Certificate of Life Membership from the Vizagapatam Chambers of Commerce and Industry
2020	• The Federation of Telangana Chambers of Commerce Industry-HR Best Practice-2019-Achiever of Gold Star –in the category of Large Scale Industries (Non-Manufacturing) • Certificate of Membership from Retailers Association of India
2021	• India's "The coolest store to work in" awarded by Indian Jeweller Magazine • Certificate of Membership from India Bullion and Jewellers Association Limited • Certificate of Life Membership from Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI)
2022	• Associate membership under the Diamonds panel with the Gem and Jewellery Export Promotion Council (GJEPC) • Certificate of Life Membership from Telangana Chambers of Commerce and Industry (TECCI)

** 'Vaibhav Jewellers' shall mean 'Manoj Vaibhav Gems 'N' Jewellers Limited.*

Significant financial and strategic partners

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Time and cost overrun in setting up projects by our Company

Our Company has not experienced any time or cost overruns in relation to any projects.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. However, in response to the COVID-19 pandemic, the RBI allowed banks and lending institutions to offer moratoriums to their customers to defer payments under loan agreements until August 31, 2020. For further information of our financing arrangements, please see the section titled "Financial Indebtedness" on page 318.

Mergers or Amalgamation

Our Company has not undertaken any merger, demerger or amalgamation in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Details regarding material acquisitions or divestments of business/undertakings, and any revaluation of assets in the last 10 years

Our Company has not acquired any material business or undertaken any divestments of business or undertaking or revaluation of assets in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Franchisee Agreements

1. The Company has entered into a Franchise Agreement dated November 2, 2018 with M/s MSR Gold whereby the Company being the Franchisor, granted M/s MSR Gold, the Franchisee, a non-transferable right to carry on retail jewellery business under the brand name of "Vaibhav Jewellers" for a period of 9 (Nine) years inclusive of a 5 (Five) year lock-in period in its store situated at Door No. 11-4-45, Main Road, GT Road, near 7 Road Junction, Srikakulam, Andhra Pradesh, India. The Agreement states that the consideration and other remuneration shall be in the following manner:

   (a) An initial investment of ₹ 100,000,000 shall be made by the Franchisee for procurement of products for the running of the Franchise business and building up of infrastructure as capital expenditure;

   (b) A non-refundable deposit of ₹ 5,000,000 in 3 installments by the Franchisee for the use of the brand name;

   (c) The Franchisee shall invest amounts in the below manner:
   (i) Jewellery Stock- 2 months before opening of the store;
   (ii) Capital Expenditure- 4 months before the opening of the store; and
   (iii) Non-refundable goodwill amount- 3 installments as mutually agreed.

   (d) Franchisee shall open two bank accounts towards business expenses and keep a minimum balance of ₹ 1,500,000 to meet business working capital requirement and remaining shall be transferred to Franchisor account for purchase of product; and

   (e) Any expenditure incurred by the Franchisor on behalf of the Franchisee, a suitable debit note shall be raised and the same shall be reimbursed on monthly basis. In addition, the Franchisee has to bear a fixed amount of ₹ 250,000 towards his share of corporate overheads incurred by the Franchisor and the same shall be debited to Profit and Loss account.

2. The Company has entered into a Franchise Agreement dated October 9, 2019 with Kattamuri Jewellers Private Limited whereby the Company being the Franchisor, granted Kattamuri Jewellers Private Limited, the Franchisee, a non-transferable right to carry on retail jewellery business under the brand name of "Vaibhav Jewellers" for a period of 12 (Twelve) years inclusive of a 5(Five) year lock-in period in its store situated at P.V.S. Empire, Door No. 6-8-36, M.G. Road, Vizianagaram, Andhra Pradesh, India. The Agreement states that the consideration and other remuneration shall be in the following manner:

   (a) An initial investment of ₹ 120,000,000 shall be made by the Franchisee for procurement of products for the running of the Franchise business and an amount of ₹ 15,000,000 shall be made towards capital expenditure for setting up the store;

   (b) A non-refundable deposit of ₹ 5,000,000 by the Franchisee for the use of the brand name;

   (c) The Franchisee shall invest amounts in the below manner:
   (i) Jewellery Stock- 2 months before opening of the store;
   (ii) Capital Expenditure- 4 months before the opening of the store; and
   (iii) Non-refundable goodwill amount- 3 installments as mutually agreed.

   (d) Franchisee shall open two bank accounts towards business expenses; and

(e) Any expenditure incurred by the Franchisor on behalf of the Franchisee, a suitable debit note shall be raised and the same shall be reimbursed on monthly basis. In addition, the Franchisee has to bear a fixed amount of ₹ 250,000/- per month towards his share of corporate overheads incurred by the Franchisor and the same shall be debited to Profit and Loss account

Lock-out and strikes

There have been no instances of strikes or lock-outs at any time in our Company.

Launch of key products or services, entry into new geographies or exit from existing markets

For further details in relation to launch of key products or services, entry in new geographies or exit from existing markets, see "History and Certain Corporate Matters - Major events and milestones beginning on on page 192.

Significant financial and/or strategic partners

Our Company does not have any significant financial and / or strategic partners as of the date of this Draft Red Herring Prospectus.

Details of shareholders' agreements

Our Company does not have any subsisting shareholders' agreements among our Shareholders *vis-a-vis* our Company.

Material agreements

Our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business in the last 10 years.

Guarantees given by our Promoters

Except as disclosed below, the Promoters have not provided any guarantees to third parties as on the date of this Draft Red Herring Prospectus:

Deed of Guarantee dated October 28, 2021 by Bharata Mallika Ratna Kumari Grandhi, Grandhi Sai Keerthana and in favour of State Bank of India, the lead bank of the Bank Consortium for a loan amount of ₹3640 million.

Other confirmations

Neither our Promoter nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Our holding Company

As on the date of this Draft Red Herring Prospectus, our Company has no holding company.

Our subsidiaries and joint ventures

Our Company does not have any subsidiary or joint ventures.

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association and subject to the provisions of the Act, the number of Directors on our Board shall not be less than three and more than 15, provided that our Company may appoint more than 15 directors after passing a special resolution. As on the date of this Draft Red Herring Prospectus, our Board comprises of 6 Directors, which includes 3 Independent Directors of which one is a Woman Independent Director and 3 Woman Executive Directors.

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

Name, date of birth, designation, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
Name: Bharata Mallika Ratna Kumari Grandhi *Date of birth: June 30, 1969* *Designation: Chairperson and Managing Director* *Address: 7-5-165/1, Ocean View Layout, Pandurangapuram, Visakhapatnam - 530003, Andhra Pradesh* *Occupation: Business* *Nationality: Indian* *Current Term: February 12, 2022 to February 11, 2027* *Period of Directorship: Since October 23, 2001* *DIN: 00492520*	53	***Indian Companies*** 1. Vaibhav Jewellers Private Limited 2. Harshil Enterprises (India) Private Limited 3. Vaibhav Hotels & Leisures (Visakhapatnam) Private Limited ***Foreign Companies*** Nil.
Name: Grandhi Sai Keerthana *Date of birth: January 17, 1993* *Designation: Whole-time Director and CFO* *Address: 7-5-165/1, Ocean View Layout, Pandurangapuram, Visakhapatnam - 530003, Andhra Pradesh* *Occupation: Business* *Nationality: Indian* *Current Term: March 01, 2022 till February 28, 2027and liable to retire by rotation* *Period of Directorship: Since February 14, 2012* *DIN: 05211918*	29	***Indian Companies*** 1. Vaibhav Jewellers Private Limited 2. Harshil Enterprises (India) Private Limited 3. Vaibhav Hotels & Leisures (Visakhapatnam) Private Limited ***Foreign Companies*** Nil.

Name: Grandhi Sai Sindhuri *Date of birth: May 19, 1991* *Designation: Executive Director* *Address: 7-5-165/1, Ocean View Layout, Pandurangapuram, Visakhapatnam - 530003, Andhra Pradesh* *Occupation: Business* *Nationality: Indian* *Current Term: March 01, 2022 till February 28, 2027 and liable to retire by rotation* *Period of Directorship: Since January 28, 2012* *DIN: 02795856*	31	***Indian Companies*** Nil. ***Foreign Companies*** Nil.
Name: Adabala Seshagiri Rao *Date of birth: July 28, 1960* *Designation: Independent Director* *Address: Flat No. 101 Block C, –Srigda Kalakriti Apartments, Gokul Nagar, Tarnaka, Secunderabad, Lallaguda, Secunderabad, Hyderabad – 500017, Telangana, India* *Occupation: N.A* *Nationality: Indian* *Current Term: From July 26, 2022 till July 25, 2027* *Period of Directorship:* Since July 26, 2022 *DIN:0009608973*	62	***Indian Companies*** Nil ***Foreign Companies*** Nil
Name: Ramesh Babu Nemani *Date of birth: July 04, 1976* *Designation: Independent Director* *Address: 6-3-609/96/A, 1st Floor, Radha Soami Satsang Ghar, Anand Nagar Colony, Khairatabad, Hyderabad – 500004, Telangana* *Occupation: Education Professional* *Nationality: Indian* *Current Term: From July 26, 2022 till July 25, 2027* *Period of Directorship: Since July 26, 2022* *DIN: 08089820*	46	***Indian Companies*** 1. VSF Projects Limited 2. Athena Global Technologies Limited 3. GVR Infra Projects Limited 4. Nova Agritech Limited 5. Nova Agri Seeds India Priavte Limited 6. Nova Agri Sciences Private Limited ***Foreign Companies*** Nil

Name: Sridevi Dasari *Date of birth:* April 11, 1982 *Designation: Independent Director* *Address:7-1-78/8, and 9 flat no.302, Kakarla house, Ameerpet, Dharam Karam road, Secunderabad, Hyderabad - 500016, Telangana.* *Occupation:* Company Secretary *Nationality: Indian* *Current Term: From July 26, 2022 till July 25, 2027* *Period of Directorship: Since July 26, 2022* *DIN: 07512095*	40	***Indian Companies*** 1. Tierra Agrotech Limited 2. Daily Food Products Private Limited ***Foreign Companies*** Nil

Relationship between our Directors and Key Managerial Personnel

Except for the following, none of our Directors or Key Managerial Personnel are related to each other or to any of the Key Managerial Personnel:

(i) Grandhi Sai Keerthana and Grandhi Sai Sindhuri are sisters;
(ii) Grandhi Sai Keerthana and Grandhi Sai Sindhuri are daughters of Bharata Mallika Ratna Kumari Grandhi; and
(iii) Gontla Rakhal is the husband of Grandhi Sai Keerthana and son in law of Bharata Mallika Ratna Kumari Grandhi.

Brief profiles of our Directors

Bharata Mallika Ratna Kumari Grandhi is a Promoter, Chairperson and Managing Director of our Company. She has 22 years of experience in jewellery industry, having been associated with the Company since 2001. She has completed her Higher Secondary School in the year 1987. Her knowledge of jewellery industry has contributed to the growth of our Company. Currently, she looks after the overall operations and gives strategic directions furthering the growth of our Company. She is also involved in strengthening the sales, implementing the marketing strategy and involved in the business development of the Company. In the year 2016 she was awarded "Best Women Entrepreneur of the year 2016" in an event organized by Prajadiary Magazine and also Woman Entrepreneur of the year"- GJTCI Excellence Award 2016. In 2018, she was awarded the Best Women Entrepreneur -Dare to Dream Awards-AP Chamber of Commerce. In the year 2021, she was awarded the Entrepreneur of the Year, Vysya Limelight Awards for Women 2021 by Vysya Limelight Inc. and was also 'The Art of Jewellery' for her contribution to the Gems and Jewellery Industry on International Women's Day. She was awarded as the "Female Entrepreneur Award" by Red FM-93.5 on July 09, 2022.

Grandhi Sai Keerthana is a Whole-time Director and CFO of our Company. She is a qualified Chartered Accountant from the Institute of Chartered Accounts of India("ICAI") and is also a member of ICAI. She holds a Degree of Bachelor of Commerce from Andhra University. She has been involved in the areas of marketing, operations and product development of the Company. Currently, she is involved in managing the finances of the Company. On October 18, 2021, she was awarded Power of Young-Jeweller Think Tank by Informa Markets and Hyderabad Jewellery, Pearl and Gem Fair in association with HJMA & Art of Jewellery as Knowledge partner at HICC, Novotel, Hyderabad.

Grandhi Sai Sindhuri is an Executive Director of our Company. She has been associated with the Company since 2012. She has completed her graduation in Bachelor of Dental Surgery from the Dr. NTR University of Health Sciences, Andhra Pradesh, Vijayawada in the year 2014. She looks after the HR and Administration activities of our Company.

Adabala Seshagiri Rao is an Independent Director of our Company. He holds Degree of Bachelor of Science and Degree of

Bachelor of Laws from the Andhra University. He holds diploma in Industrial Relations & Personnel Management and Diploma in Marketing & Sales Management from the Bharatiya Vidya Bhavan. He has obtained certificate of Certified Associate of Indian Institute of Bankers (CAIIB) Retail Banking examination from the Institute of Banking & Finance. He has over 34 years of experience in the banking industry. His last employment before retirement was with the Union Bank of India.

Ramesh Babu Nemani is an Independent Director of our Company. He holds Degree of Bachelor of Commerce from the M.R. Autonomous College, Vizianagaram, and has completed his Master of Commerce from the Andhra University. He has also completed his Master of Philosophy in Commerce and his Master of Business Administration from the Sri Venkateswara University and has completed PG Diploma in Functional English from the Andhra University. He has also been empaneled with the Indian Institute of Corporate Affairs as an Independent Director.

Sridevi Dasari is an Independent Director of our Company. She has completed the course in Master of Business Administration from Nagarjuna University. She qualified as a Company Secretary and is an "Associate Member" with the Institute of Company Secretaries of India since 2012. She is currently employed with CCL Products (India) Limited in the capacity of Company Secretary and has also been empaneled with the Indian Institute of Corporate Affairs as an Independent Director.

Confirmations

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such 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 his/her directorship in such company.

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, trusts 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.

Further, none of our Directors have been identified as Wilful Defaulters or a Fraudulent Borrower as defined under the SEBI ICDR Regulations.

None of our Directors have been identified or declared as a fugitive economic offender under the provisions of the Fugitive Economic Offenders Act, 2018.

None of our Directors is prohibited from accessing capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with any major Shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on our Board. For details, see "*History and Certain Corporate Matters – Material agreements*" on page 198.

Terms of appointment of Executive Directors

Bharata Mallika Ratna Kumari Grandhi

Pursuant to a resolution of our Board dated February 11, 2022 and a resolution of the Shareholders dated April 30, 2022 Bharata Mallika Ratna Kumari Grandhi was appointed as our Chairman and Managing Director for a term of five years with effect from dated February 12, 2022. Our Company has also entered into an agreement dated February 12, 2022 with Bharata Mallika Ratna Kumari Grandhi with respect to the terms and conditions of the appointment, whereby she is entitled to a gross salary of ₹ 24 million per annum. During the Financial Year 2022, the total amount of compensation paid to her was ₹ 18.43 million.

Grandhi Sai Keerthana

Pursuant to a resolution of our Board dated February 11, 2022 and a resolution of the Shareholders dated April 30, 2022 Grandhi Sai Keerthana was appointed as Whole-Time Director for a term of five years with effect from dated March 01, 2022. Our Company has also entered into an agreement dated March 01, 2022 with Grandhi Sai Keerthana with respect to the terms and conditions of the appointment whereby she is entitled to a gross salary of ₹ 5.2 million per annum. During the Financial Year 2022, the total amount of compensation paid to her was ₹ 2.65 million.

Grandhi Sai Sindhuri

Pursuant to a resolution of our Board dated February 11, 2022 and a resolution of the Shareholders dated April 30, 2022 Grandhi Sai Sindhuri was appointed as Executive Director for a term of five years with effect from dated March 01, 2022. Our Company has also entered into an agreement dated March 01, 2022 with Grandhi Sai Sindhuri with respect to the terms and conditions of the appointment whereby she is entitled to a gross salary of ₹ 2.25 million per annum. During the Financial Year 2022, the total amount of compensation paid to her was ₹ 1.51 million.

***Remuneration* to Executive Director**

Particulars	**Remuneration paid for FY 2021-2022 (in ₹ million)**		
	Bharata Mallika Ratna Kumari Grandhi Chairperson and Managing Director	**Grandhi Sai Keerthana Whole-time Director**	**Grandhi Sai Sindhuri Executive Director**
Basic	7.26	1.06	0.61
Other Allowances	11.17	1.59	0.90

Payment or benefit to *Directors* of our Company

Other than as disclosed below, our Company has not paid any compensation or granted any benefit to any of our Directors (including contingent or deferred compensation) in all capacities in Financial Year 2022. Further, there is no contingent or deferred compensation payable to any of our Directors which accrued in Financial Year 2022.

Sitting fees and commission to Independent Directors:

Our Independent Directors were not paid any sitting fees for attending board or committee meetings for the Financial Year 2022.

Changes in our Board in the last three years

Name of the Director	**Date of Appointment/Change/ Cessation**	**Particulars/ Reason**
G.S.V. Amarendra	August 30, 2021	Resignation as Director
Bharata Mallika Ratna Kumari Grandhi	February 12, 2022	Re-appointed as Chairman and Managing Director for a further term of five years
Grandhi Sai Keerthana	March 01, 2022	Change in designation from Executive Director to Whole-Time Director
Adabala Seshagiri Rao	July 26, 2022	Appointment as Independent Director
Ramesh Babu Nemani	July 26, 2022	Appointment as Independent Director
Sridevi Dasari	July 26, 2022	Appointment as Independent Director

Service contracts with Directors

Our Company has not entered into any service contracts, pursuant to which our Directors are entitled to benefits upon termination of employment

Interest of Directors

All Non – Executive Directors and Independent Directors may be deemed to be interested to the extent of sitting fees payable, if any, to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them as stated in "*Our Management – Terms of appointment of our Directors - Remuneration* to *Executive Director*" on page 205 and for the compensation / commissions payable to them.

Other than Bharata Mallika Ratna Kumari Grandhi and Grandhi Sai Keerthana, who are also Promoters of our Company, none of our Directors have any interest in the promotion or formation of our Company.

Our Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer, if any.

Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company or transaction for acquisition of land, construction of building and supply of machinery, etc.

Except to the extent of the sale of Equity Shares in the Offer for Sale by the Promoter Selling Shareholder who is also Director of our Company, there is no material existing or anticipated transaction whereby our Directors will receive any portion of the proceeds from the Offer.

No loans have been availed by our Directors from our Company.

Bonus or profit sharing plan of our Directors

Our Company does not have a bonus or profit sharing plan for our Directors and our Directors have not received any compensation (including contingent or deferred compensation accrued for the year) in Financial Year 2022 pursuant to any bonus or profit sharing plan.

Shareholding of our Directors in our Company

S. No.	Name of the Director	No. of Equity Shares	% on paid up capital
1	Bharata Mallika Ratna Kumari Grandhi	5,352,000	13.70
2	Grandhi Sai Keerthana	40,000	0.10
3	Grandhi Sai Sindhuri	20,000	0.05

The Articles of Association do not require our Directors to hold any qualification shares.

Other than as disclosed under "*Capital Structure – Notes to Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*" on page 86, none of our Directors hold any shares in our Company as on the date of this Draft Red Herring Prospectus.

Borrowing powers of our Board

Pursuant to our Articles of Association and in accordance with the provisions of the Companies Act, our Shareholders have passed a special resolution on April 30, 2022 authorizing our Board to borrow, for and on behalf of our Company, from time to time, any sum or sums of monies, in one or more tranches, which may exceed the aggregate of the paid up share capital, free reserves and securities premium account of our Company, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 10,000 millions over and above the aggregate of the paid up capital and free reserves of the Company from time to time.

Corporate governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of Equity Shares on the Stock Exchanges. As on the date of this Draft Red Herring Prospectus, our Company is in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance, in relation to composition of our Board and committees, thereof. The corporate governance framework of our Company is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of the committees, thereof, each as required under applicable law.

Our Board functions either as a full board or through various committees of our Board which are constituted to oversee specific operational areas.

Currently, our Board comprises of 6 directors, which includes 3 Independent Directors and 3 Executive Directors. In compliance with the provisions of the Companies Act at least two-third of our Directors, other than our Independent Directors, are liable to retire by rotation.

Committees of our Board in accordance with the Companies Act, 2013 and the SEBI Listing Regulations

Our Company has constituted the following committees of the Board in terms of the SEBI Listing Regulations and the Companies Act:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. Corporate Social Responsibility Committee; and
5. Risk Management Committee.
6. IPO Committee.

1. Audit Committee

The current constitution of the Audit Committee is as follows:

Sr. No.	Name of the Director	Designation	Position in the Committee
1.	Adabala Seshagiri Rao	Independent Director	Chairman
2.	Ramesh Babu Nemani	Independent Director	Member
3.	. Grandhi Sai Keerthana	Whole-Time Director and CFO	Member
4.	Sridevi Dasari	Independent Director	Member

The Company Secretary of our Company shall act as secretary to the Audit Committee.

The Audit Committee was constituted by a resolution of our Board dated August 02, 2022.

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI Listing Regulations. The powers, roles, responsibilities and terms of reference of the Audit Committee shall include the following:

(i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company

(ii) review and monitor the auditor's independence and performance, and effectiveness of audit process

(iii) examination of the financial statement and the auditors' report thereon

(iv) approval, including omnibus approval, or any subsequent modification of transactions of the company with related parties.

(v) transaction, other than transactions referred to in section 188, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board:

Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the company against any loss incurred by it:

(vi) scrutiny of inter-corporate loans and investments;

(vii) valuation of undertakings or assets of the company, wherever it is necessary;

(viii) evaluation of internal financial controls and risk management systems;

(ix) monitoring the end use of funds raised through public offers and related matters.

Powers of Audit Committee:

The Audit Committee shall have powers, including the following:

(a) to investigate any activity within its terms of reference or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources

(b) to seek information from any employee

(c) to obtain outside legal or other professional advice; and

(d) The audit committee may invite such of the executives as it considers appropriate (and particularly the head of the finance function) to be present at the meeting of the committee, but on occasions it may also meet without the presence of any executive.

(e) to secure attendance of outsiders with relevant expertise, if it considers necessary; and

(f) such other powers as may be prescribed under the Companies Act and Listing Regulations.

Role of the Audit Committee:

The role of the Audit Committee shall include the following:

1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

    (1) 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;
    (2) changes, if any, in accounting policies and practices and reasons for the same;
    (3) major accounting entries involving estimates based on the exercise of judgment by management;
    (4) significant adjustments made in the financial statements arising out of audit findings;
    (5) compliance with listing and other legal requirements relating to financial statements;
    (6) disclosure of any related party transactions;
    (7) modified opinion(s) in the draft audit report;

5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6) 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 / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8) Approval or any subsequent modification of transactions of the listed entity with related parties;
9) Scrutiny of inter-corporate loans and investments;
10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11) Evaluation of internal financial controls and risk management systems;
12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13) 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;
14) Discussion with internal auditors of any significant findings and follow up there on;
15) 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;
16) Discussion with 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;
17) 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;
18) To review the functioning of the whistle blower mechanism;
19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21) 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.
22) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
23) Carrying out any other functions required to be carried out by the Audit Committee as contained in the Listing Regulations or any other applicable law, as and when amended from time to time.
24) To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time.

The Audit Committee shall mandatorily review the following information:

(1) Management discussion and analysis of financial condition and results of operations;
(2) Management letters / letters of internal control weaknesses issued by the statutory auditors;
(3) Internal audit reports relating to internal control weaknesses; and
(4) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
(5) Statement of deviations:
    (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

    (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

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.

2. Nomination and Remuneration Committee

The current constitution of the Nomination and Remuneration Committee is as follows:

S. No.	Name of the Director	Designation	Position in the Committee
1.	Sridevi Dasari	Independent Director	Chairperson
2.	Ramesh Babu Nemani	Independent Director	Member
3.	Adabala Seshagiri Rao	Independent Director	Member

The Nomination and Remuneration Committee was constituted by a resolution of our Board dated August 02, 2022.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee are as follows:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the **"Board**" or "**Board of Directors"**) a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**").

For every appointment of an independent director, the Nomination and Remuneration Committee shall 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. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

i. use the services of an external agencies, if required;
ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
iii. 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.

(2) Formulation of criteria for evaluation of the performance of the independent directors and the Board;

(3) Devising a policy on Board diversity;

(4) 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 and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

(5) Determining 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;

(6) To recommend, implement, design, execute, approve schemes of ESPS, ESOP, SAR, Sweat Equity and do all other activities;

(7) Recommend to the board, all remuneration, in whatever form, payable to senior management;

(8) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time."

(9) Analysing, monitoring and reviewing various human resource and compensation matters;

(10) Deciding 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;

(11) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(12) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;

(13) Administering, monitoring and formulating detailed terms and conditions of the employee stock option scheme, if any, of the Company;

(14) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(15) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;

(16) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

(a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
(b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable; and

(17) Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

(18) For every appointment of an independent director, the Nomination and Remuneration Committee shall 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. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, 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.

3. Stakeholders Relationship Committee

The current constitution of the Stakeholders Relationship Committee is as follows:

Sr. No.	Name of the member	Designation	Position in the Committee
1.	Ramesh Babu Nemani	Independent Director	Chairman
2.	Adabala Seshagiri Rao	Independent Director	Member
3.	Grandhi Sai Keerthana	Whole-Time Director and CFO	Member

The Stakeholders Relationship Committee was constituted by a Board resolution dated August 02, 2022.

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders Relationship Committee are as follows.

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

(a) Resolving the grievances of the security holders of the Company 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) Review of measures taken for effective exercise of voting rights by shareholders;

(c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;

(d) Considering and specifically looking into various aspects of interest of shareholders, debenture holders and other security holders;

(e) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(f) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(g) 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.

(h) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

(i) To approve, register, refuse to register transfer or transmission of shares and other securities;

(j) To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;

(k) Allotment and listing of shares;

(l) To authorise affixation of common seal of the Company;

(m) To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;

(n) To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;

(o) Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and

(p) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

The Stakeholders' Relationship Committee is required to meet at least once in a year under Regulation 20(3A) of the SEBI Listing Regulations.

4. Corporate Social Responsibility Committee

The current constitution of the Corporate Social Responsibility Committee is as follows:

Sr. No.	Name of the member	Designation	Position in the Committee
1.	Bharata Mallika Ratna Kumari Grandhi	Chairperson & Managing Director	Chairperson
2.	Grandhi Sai Keerthana	Whole-Time Director and CFO	Member
3.	Grandhi Sai Sindhuri	Executive Director	Member
4.	Sridevi Dasari	Independent Director	Member

The Corporate Social Responsibility Committee was constituted on June 12, 2014 and the committee was reconstituted and its terms of reference were revised in the board meeting held on August 02, 2022.

The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act. The terms of reference of the Corporate Social Responsibility Committee are as follows:

1. To formulate and recommend to the Board, a "Corporate Social Responsibility policy" which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;

2. To identify corporate social responsibility policy partners and programmes;

3. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company for corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

4. To monitor the Corporate Social Responsibility policy of the Company from time to time including delegation of responsibilities to various teams and supervise, monitor and review the timely implementation of corporate social responsibility programmes;

5. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time; and

6. To exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

5. Risk Management Committee

The current constitution of the Risk Management Committee is as follows:

Sr. No.	Name of the member	Designation	Position in the Committee
1.	Bharata Mallika Ratna Kumari Grandhi	Chairperson & Managing Director	Chairperson
2.	Grandhi Sai Keerthana	Whole-Time Director and CFO	Member
3.	Satish Ramanujakoondam	CEO	Member
4.	Ramesh Babu Nemani	Independent Director	Member

The Risk Management Committee was constituted by a Board resolution August 02, 2022.

The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations. The terms of reference of the Risk Management Committee are as follows.

The Risk Management Committee shall have the following powers:

1. To formulate a detailed risk management policy which shall include:

   (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental social and governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   (c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per framework laid down by the board of directors;

4. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
5. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
6. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
7. To approve major decisions affecting the risk profile or exposure and give appropriate directions;
8. To consider the effectiveness of decision-making process in crisis and emergency situations;
9. To balance risks and opportunities;
10. To generally, assist the Board in the execution of its responsibility for the governance of risk;
11. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
12. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee and
13. Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the SEBI Listing regulations.

The quorum of the Risk Management Committee is either two members or one-third of the members of the Risk Management Committee, whichever is higher, including at least one member of the Board of Directors, being in attendance.

The Risk Management Committee is required to meet at least twice in a year and not more than 180 days may elapse between the two meetings.

The Risk Management Committee has powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

6. IPO Committee

The current constitution of the IPO Committee is as follows:

S.No.	Name of the Person	Designation	Membership/Chairperson
1	Bharata Mallika Rata Kumari Grandhi	Chairperson & Managing Director	Chairperson
2	Grandhi Sai Keerthana	Wholetime Director & CFO	Member
3	Adabala Seshagiri Rao	Independent Director	Member

The terms of reference of the Risk Management Committee are as follows.

(1) to decide, negotiate and finalize the pricing, the terms of the issue of the Equity Shares and all other related matters regarding the Pre-IPO Placement, if any, including the execution of the relevant documents with the investors, in consultation with the book running lead managers appointed in relation to the Offer (“**BRLMs**”) and in accordance with applicable laws;

(2) to decide in consultation with the BRLMs the actual size of the Offer and taking on record the number of equity shares (the “**Equity Shares**”), and/or reservation on a competitive basis, and/or any rounding off in the event of any oversubscription and/or any discount to be offered to retail individual bidders or eligible employees participating in the Offer and all the terms and conditions of the Offer, including without limitation timing, opening and closing dates of the Offer, price band, allocation/allotment to eligible persons pursuant to the Offer, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;

(3) to appoint, instruct and enter into agreements with the BRLMs, and in consultation with BRLMs appoint and enter into agreements with intermediaries, co-managers, underwriters, syndicate members, brokers, escrow collection bankers, auditors, independent chartered accountants, refund bankers, registrar, grading agency, industry expert, legal counsels, depositories, printers, monitoring agency, advertising agency(ies), and any other agencies or persons (including any successors or replacements thereof) whose appointment is required in relation to the Offer and to negotiate and finalize the terms of their appointment, including but not limited to execution of

the mandate letters and offer agreement with the BRLMs, and the underwriting agreement with the underwriters, and to terminate agreements or arrangements with such intermediaries;

(4) to make any alteration, addition or variation in relation to the Offer, in consultation with the BRLMs or SEBI or such other authorities as may be required, and without prejudice to the generality of the aforesaid, deciding the exact Offer structure and the exact component of issue of Equity Shares;

(5) to finalize, settle, approve, adopt and arrange for submission of the draft red herring prospectus ("**DRHP**"), the red herring prospectus ("**RHP**"), the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, clarifications, reply to observations, addenda or corrigenda thereto, to appropriate government and regulatory authorities, respective stock exchanges where the Equity Shares are proposed to be listed ("**Stock Exchanges**"), the Registrar of Companies, Telangana at Hyderabad ("**Registrar of Companies**"), institutions or bodies;

(6) If deemed appropriate, to invite the existing shareholders of the Company to participate in the Offer to offer for sale the Equity Shares held by them at the same price as in the Offer;

(7) to take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s) for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale;

(8) to issue advertisements in such newspapers and other media as it may deem fit and proper, in consultation with the relevant intermediaries appointed for the Offer in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), Companies Act, 2013, as amended and other applicable laws;

(9) to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, and on permitting existing shareholders to sell any Equity Shares held by them;

(10) to open and operate separate escrow accounts as the escrow account to receive application monies from anchor investors/ underwriters in respect of the bid amounts and a bank account as the refund account for handling refunds in relation to the Offer and in respect of which a refund, if any will be made;

(11) to open and operate bank account with the bankers to the Offer to receive application monies in relation to the Offer in terms of Section 40(3) of the Companies Act, 2013, as amended and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(12) to negotiate, finalise, sign, execute and deliver or arrange the delivery of the offer agreement, syndicate agreement, share escrow agreement, escrow and sponsor bank agreement, underwriting agreement, agreements with the registrar to the Offer, monitoring agency and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the Offer, legal advisors, auditors, Stock Exchanges, BRLMs and other agencies/ intermediaries in connection with Offer with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;

(13) to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchange, the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), Registrar of Companies, and such other statutory and governmental authorities in connection with the Offer, as required by applicable law, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus, as applicable;

(14) to make in-principle and final applications for listing and trading of the Equity Shares on one or more stock exchanges, to execute and to deliver or arrange the delivery of the equity listing agreement(s) or equivalent documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;

(15) to determine and finalize, in consultation with the BRLMs, the price band for the Offer and minimum bid lot for the purpose of bidding, any revision to the price band and the final Offer price after bid closure, and to finalize the basis of allocation and to allot the Equity Shares to the successful allottees and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws and undertake other matters in connection with or incidental to the Offer, including determining the anchor investor portion, in accordance with the SEBI ICDR Regulations;

(16) to accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;

(17) to issue receipts/allotment advice/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforementioned documents;

(18) to do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforestated documents;

(19) to approve the code of conduct, suitable insider trading policy, whistle blower/vigil mechanism policy, risk management policy and other corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable law;

(20) to approve the list of 'group of companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;

(21) to seek, if required, the consent and waivers of the parties with whom the Company has entered into various commercial and other agreements such as Company's lenders, joint venture partners, all concerned governmental and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in connection with the Offer or any actions connected therewith, in accordance with the applicable laws;

(22) to determine the price at which the Equity Shares are offered, allocated, transferred and/or allotted to investors in the Offer in accordance with applicable regulations in consultation with the BRLMs and/or any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors;

(23) to settle all questions, difficulties or doubts that may arise in relation to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may in its absolute discretion deem fit;

(24) to do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Offer;

(25) to authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage and remuneration in connection with the Offer;

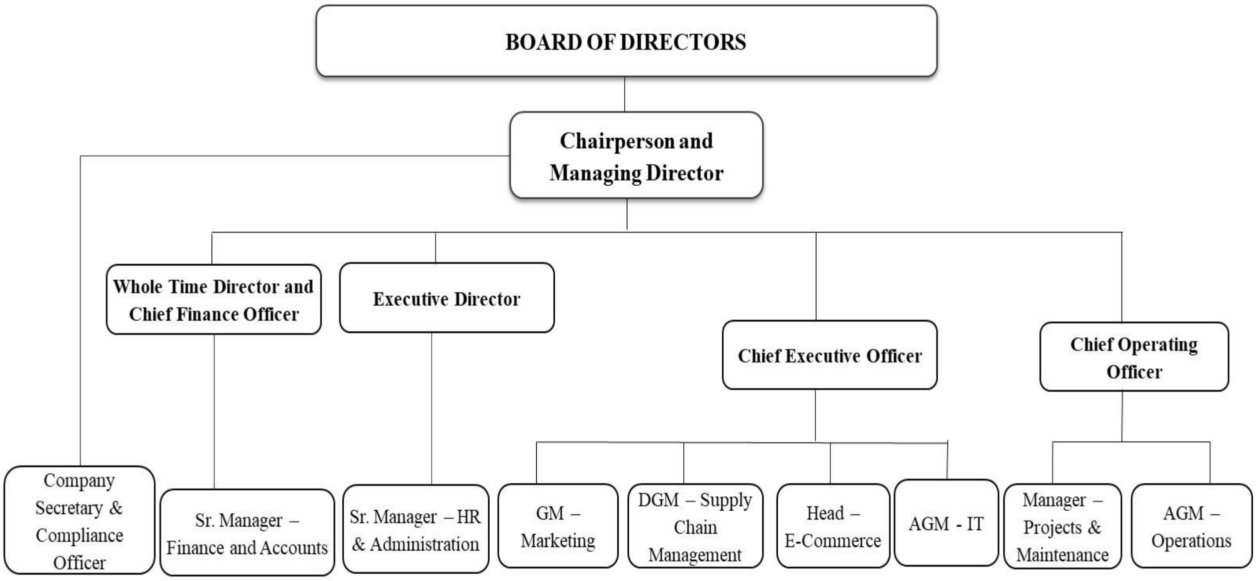
(26) to withdraw the DRHP or RHP or to decide not to proceed with the Offer at any stage, in consultation with the BRLMs and in accordance with the SEBI ICDR Regulations and applicable laws;

(27) to submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies and the relevant stock exchange(s) where the Equity Shares are to be listed; and

(28) to authorize and empower directors or officers of the Company (each, an "**Authorized Officer(s)**"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer(s) consider necessary, appropriate or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding,

the listing agreement(s) with the stock exchange(s), the registrar agreement and memorandum of understanding, the depositories' agreements, the offer agreement with the BRLMs (and other entities as appropriate), the underwriting agreement, the syndicate agreement with the BRLMs and syndicate members, the stabilization agreement, the share escrow agreement, the cash escrow and sponsor bank agreement, confirmation of allocation notes, allotment advice, placement agents, registrar to the Offer, bankers to the Company, managers, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, advertising agency(ies), syndicate members, brokers, escrow collection bankers, auditors, grading agency, monitoring agency and all such persons or agencies as may be involved in or concerned with the Offer, if any, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Offer by the BRLMs and to do or cause to be done any and all such acts or things that the Authorized Officer(s) may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Offer; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer(s) shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

Management Organisation Structure



Key Managerial Personnel

In addition to Bharata Mallika Ratna Kumari Grandhi, Grandhi Sai Keerthana and Grandhi Sai Sindhuri our Executive Directors, the following persons are our Key Managerial Personnel. All the Key Managerial Personnel are permanent employees of our Company. For details of the brief profile of our Executive Directors, see "- *Brief profiles of our Directors*" on page 204. The brief profiles of our other Key Managerial Personnel are as set out below:

Mr. Satish Ramanujakoodam is the Chief Executive Officer of our Company. He has been associated with the Company since 2011. He holds degree of Bachelor of Commerce from the University of Madras. He is a qualified Cost and Works Accountant from the Institute of Cost and Works Accountants of India. He is also a qualified Chartered Accountant from the Institute of Chartered Accountants of India. Prior to joining our Company, he has worked as Vice-President (Finance) in Ozone Propex Private Limited. In Financial Year 2022, he received a gross compensation of ₹ 11.02 million from our Company.

Mr. Gontla Rakhal is the Chief Operating Officer of our Company and is responsible for the operations of the Company. He joined the Company on April 01, 2022. He holds a degree in Bachelor of Commerce from Symbiosis Society's Arts and Commerce College, Pune under the Savitribai Phule Pune University and a degree in Master of Business Administration from Southwestern Oklahoma State University. He has also completed a programme in International Economics & Financial Market Program from National University of Singapore and attended a course on 'Organisational Behaviour' as a part of the Summer School Programme in London School of Economics and Political Science. He has an overall experience of approximately 8 years. Prior to joining the Company, he worked as an Assistant Manager-Business Development in Vijay Engifab Private Limited. Currently, he is a Partner in Gontla Subbarayadu Chetty & Sons partnership firm. He was appointed in FY 2022-23 and no remuneration was received by him in FY2021-22.

Mr. Raghunath Jonnavithula is the General Manager – Marketing of our Company. He has been associated with the Company since 2007. He holds a degree of Master of Business Administration in Marketing Management from the Assam Down Town University and completed a Bachelor's degree in Science from Nagarjuna University. He has also completed his Post Graduate Diploma in Marketing Management from the MIT School of Distance Education, Pune. He has an overall experience of approximately 36 years. Prior to joining our Company, he has worked with Cipla Limited and Rexcel Pharmaceuticals Limited. In Financial Year 2022, he received a gross compensation of ₹ 4.23 million from our Company.

Mr. Vizia Gopal Botsa is the DGM – Supply Chain Management of our Company. He has been associated with the Company since 2007. He holds a degree of Bachelor of Arts from Osmania University and has completed his Post-Graduation certificate programme in Management from Indian Institute of Management, Indore. He has an overall experience of approximately 22 years. Prior to joining our Company, he has worked with the Andhra Pradesh Tourism Development Corporation and Quality Inn. In Financial Year 2022, he received a gross compensation of ₹ 3.51 million from our Company.

Mr. Bandari Shiva Krishna is the Company Secretary and the Compliance Officer of our Company. He has been associated with the Company since 2014. He holds a degree of Bachelor of Commerce from the Osmania University and he is a qualified Company Secretary & is a Fellow member of the Institute of Company Secretaries of India. His primary responsibility is to look after overall secretarial matters of the Company. He has an overall experience of approximately 12 years. Prior to joining our Company, he has worked with Bank of America. In Financial Year 2022, he received a gross compensation of ₹ 1.17 million from our Company.

Mr. Ram Mohan Rao Vijinigiri is the Manager – Projects & Maintenance of our Company. He has been associated with the Company since 2018. He has completed his Diploma in Civil Engineering from the Government Polytechnic, Visakhapatnam and has obtained membership as an Associate with the Institution of Civil Engineering (India). He has an overall experience of over 16 years. Prior to joining the Company, he was working as Manager – Projects with Apollo Hospitals. In Financial Year 2022, he received a gross compensation of ₹ 1.30 million from our Company.

Mr. Pampana Ramesh Chandra Roy is the AGM - Operations of our Company. He has been associated with the Company since 2007. He holds a degree in Bachelor of Commerce from Andhra University and a degree of Master of Business Administration from Andhra University. He has an overall experience of approximately 27 years. Prior to joining us, he has worked at Dabur India Limited, Innovative Information Technology, J.L. Morrison (India) Ltd., India Household & Healthcare Ltd. and Subisksha Trading Services Limited in various capacities. In Financial Year 2022, he received a gross compensation of ₹ 2.23 million from our Company.

Mr. Puli Rama Naga Vara Prasada Rao is the Senior Manager of Finance and Accounts of our Company. He has been associated with the Company since 2013. He has is a qualified Chartered Accountant from the Institute of Chartered

Accountants of India. He has holds a degree of Bachelor's of Commerce from Sir C R R Autonomous College Eluru. He has an overall experience of approximately 10 years. Prior to joining our Company, he has worked as Manager – Finance & Accounts with MMS Steel & Power Private Limited. In Financial Year 2022, he received a gross compensation of ₹ 2.02 million from our Company.

Mr. **Daroga Sreenivas Murthy** is the Senior Manager – HR & Admin of our Company. He has been associated with the Company recently in the year 2021. He holds a degree of Bachelor's of Commerce from Andhra University and a Masters degree in Business Administration from Nagarjuna University. He has also completed his CAIIB from the Indian Institute of Banking & Finance. He has an overall experience of approximately 12 years. Prior to joining our Company, he was working with Kotak Mahindra Bank Limited and IDBI Bank. In Financial Year 2022, he received a gross compensation of ₹ 0.61 million from our Company.

Mr. Ashish **Sharma** is the Head of E-Commerce Department of our Company. He has been associated with the Company since 2018. He holds a degree of Bachelor's of Business Administration from Vinayaka Missions University and has completed the Bachelor of Preparatory Programme from the Swami Vivekanand College of Distance Education. He has also completed his Post Graduateprogram in Marketing Management from S.P. Mandali's Prin L.N. Welingkar Institute of Management Development & Research and Post Graduate in Artificial Intelligence for Leaders from The University of Texas at Austin. Prior to joining our Company, he was working with Gold 24 Jewellery Private Limited as Head of Operations. He has an overall experience of approximately 15 years. In Financial Year 2022, he received a gross compensation of ₹ 2.41 million from our Company.

Mr. Sandeep Krishna Yalamarthy is the AGM - IT of our Company. He was appointed as Management Trainee and his current designation is AGM – IT vide promotion-cum-increment letter dated May 03, 2017. He holds a degree of Master in Computer Application from Jawaharlal Nehru Technological University. His primary responsibility is to look after the technical support of the Company. He has an overall experience of approximately 10 years. In Fiscal 2022, he received a gross compensation of ₹ 2.11 million from our Company.

Except as disclosed in "– *Relationship between our Directors and Key Managerial Personnel*" on page 204, none of our Key Managerial Personnel are related to each other.

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others. Additionally, with respect to our Key Managerial Personnel, no contingent or deferred compensation has accrued for Financial Year 2022.

Shareholding of our Key Managerial Personnel in our Company

Except for Grandhi Sai Keerthana none of the KMPs are holding shares (equity and/or preference) in the Company.

Bonus or profit sharing plan of the Key Managerial Personnel

Our Company does not have a bonus or profit sharing plan for our Executive Directors and our Executive Directors have not received any compensation in Fiscal 2022 pursuant to any bonus or profit sharing plan.

With respect to our Key Managerial Personnel (other than Executive Directors), except for performance based discretionary incentives paid in accordance with their respective terms of appointment and any payments required under applicable law, none of our Key Managerial Personnel are a party to any bonus or profit sharing plan or have received any compensation in Fiscal 2022 pursuant to any bonus or profit sharing plan.

Interest of Key Managerial Personnel

Except as disclosed in "– *Interest of Directors*", in relation to our Executive Directors and in "– *Shareholding of our Key* Managerial *Personnel in our Company*" none of our Key Managerial Personnelhave any interest in our Company other than to the extent of the remuneration, allowances, perquisites or benefits to which they are entitled to as per their terms of appointment and the reimbursement of expenses incurred by them during the ordinary course of business.

Loans to Key Managerial **Personnel**

No loans have been availed by our Key Managerial Personnel from our Company.

Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as a Key Managerial Personnel or member of senior management.

Contingent and deferred compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation accrued for the year payable to the Key Managerial Personnel, even if the compensation is payable at a later date.

Changes in the Key Managerial Personnel

Except as disclosed in "– *Changes in our Board in the last three years*" and disclosed below, there have been no changes in our Key Managerial Personnel in the last three years prior to the date of filing of this Draft Red Herring Prospectus :

S. No.	Name of the KMP	Date of appointment/ cessation	Reason
1.	Daroga Sreenivas Murthy	October 23, 2021	Appointment as Senior Manager – HR & Admin
2.	Grandhi Sai Keerthana	August 2, 2022	Appointment as CFO
3.	Gontla Rakhal	April 01, 2022	Appointment as COO

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The rate of attrition of our Key Managerial Personnel is not high in comparison to the industry in which we operate.

Payment or benefit to Key Managerial Personnel of our Company

Except as disclosed above under "– *Interest of Directors*" and in "*Related Party Transactions*" on pages 206 and 285, respectively, no non-salary related amount or benefit has been paid or given within two years from the date of this Draft Red Herring Prospectus, or is intended to be paid or given, to any of our Company's officers, including our Directors and Key Managerial Personnel.

Employee stock option plan and employee stock purchase scheme

Our Company does not have any Employee stock option plan and employee stock purchase scheme as on the date of this Draft Red Herring Prospectus.

Service contracts with Key Managerial Personnel

Our Company has not entered into any service contracts, pursuant to which its Key Managerial Personnel are entitled to benefits upon termination / retirement of employment.

Except for statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company, including Key Managerial Personnel, is entitled to any benefit upon termination of employment.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Grandhi Bharata Mallika Ratna Kumari (HUF);
2. Bharata Mallika Ratna Kumari Grandhi; and
3. Grandhi Sai Keerthana

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 34,742,400 Equity Shares, representing 88.90% of the issued, subscribed and paid-up equity share capital of our Company. For details, see "*Capital Structure - Details of Equity Shares held by our Promoters and members of our Promoter Group*" on page 86.

Details of our Promoters

Grandhi Bharata Mallika Ratna Kumari (HUF)

Manoj Kumar Grandhi (HUF) came into existence on April 22, 1990, Manoj Kumar Grandhi was the Karta of Manoj Kumar Grandhi (HUF) and its members were Bharata Mallika Ratna Kumari Grandhi, Grandhi Sai Sindhuri, Grandhi Sai Keerthana and Grandhi Durga Krishna Sai Sarayu. Pursuant to the demise of Mr. Manoj Kumar Grandhi on February 07, 2012 who was the Karta of the Manoj Kumar Grandhi (HUF), Bharata Mallika Ratna Kumari Grandhi, being the eldest surviving co-parcener of the Manoj Kumar Grandhi (HUF), became the Karta of Manoj Kumar Grandhi (HUF). Subsequently, the name of Manoj Kumar Grandhi (HUF) was changed to Grandhi Bharata Mallika Ratna Kumari (HUF).

Permanent Account Number of the Grandhi Bharata Mallika Ratna Kumari (HUF) is AABHG9892B,

As on date of filing of this Draft Red Herring Prospectus, Grandhi Bharata Mallika Ratna Kumari (HUF) holds 29,350,400 Equity Shares representing 75.10% of the subscribed and paid-up Equity Share capital of our Company.

Our Promoter Grandhi Bharata Mallika Ratna Kumari (HUF) was involved in the business of managing purchase advance schemes. The HUF discontinued accepting new customer advances from June 01, 2022 and is only managing existing purchase advance schemes due for redemption.

Bharata Mallika Ratna Kumari Grandhi

Bharata Mallika Ratna Kumari Grandhi, aged 53 years, is one of our Promoters and is also the Chairperson and Managing Director on our Board. For the complete profile of Bharata Mallika Ratna Kumari Grandhi along with details of her date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, business and financial activities, other directorships, other ventures and special achievements, see "Our Management – Board of Directors" on page 204.

Her permanent account number is ABWPG7015J.

As on date of this Draft Red Herring Prospectus, Bharata Mallika Ratna Kumari Grandhi holds 5,352,000 Equity Shares, representing

	13.70% of the issued, subscribed and paid-up Equity Share capital of our Company.

Grandhi Sai Keerthana	
	**Grandhi Sai Keerthana**, aged 29 years, is one of our Promoters and is also the Whole-Time on our Board and the Chief Financial Officer of our Company. For the complete profile of Grandhi Sai Keerthana along with details of her date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, business and financial activities, other directorships, other ventures and special achievements, see "Our Management – Board of Directors" on page 204. Her permanent account number is BCEPG7070F. As on date of this Draft Red Herring Prospectus, Grandhi Sai Keerthana holds 40,000 Equity Shares, representing 0.10% of the issued, subscribed and paid-up Equity Share capital of our Company.

We confirm that the details of the PAN, bank account numbers, Aadhar card number and passport numbers of our individual Promoters and the permanent account number and bank account of Grandhi Bharata Mallika Ratna Kumari (HUF) shall be submitted with the Stock Exchanges at the time of submission of this Draft Red Herring Prospectus with the Stock Exchanges.

Our individual Promoters do not hold a driving license

Experience of our Individual Promoters

Our individual Promoters have adequate experience in the business activities undertaken by our Company.

Other ventures of our Individual Promoters

Other than as disclosed in "*Our Promoter Group*" below and in section "*Our Management – Other Directorships*" on page 202, our individual Promoters are not involved in any other ventures.

INTEREST OF PROMOTERS

Interest of Promoters in the Promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company (directly or indirectly, as the case may be), the dividends payable and any other distributions in respect of their respective shareholding in our Company and the rights afforded to them in terms of the Investment Agreement. Further, our individual Promoters are also interested in our Company to the extent of remuneration payable to them in their capacity as Executive Directors of our Company. For further details, see "*Capital Structure - Build-up of the Promoters*' shareholding in our Company" beginning on Page 84. Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters.

No sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by such Promoter(s) or by such firm or company, in connection with the promotion or formation of our Company, except as disclosed below:

The Company has taken an interest free unsecured loan taken from its Promoter Grandhi Bharata Mallika Ratna Kumari (HUF) to the amount of ₹ 450.00 million. The loan was obtained to meet the requirements stipulated by the working capital lenders. Such unsecured loan is interest free and cannot be withdrawn during the currency of the exposure of working capital lenders. As per the Unsecured Loan Agreement dated March 25, 2019 entered into by the Company and our Promoter Grandhi Bharata Mallika Ratna Kumari HUF, the loan shall be repayable by March 31, 2030; or within 18 months from the date of removal of covenant by the borrower banks or closure of the working capital limits under the working capital arrangements, whichever is later.

Interest of Promoters in the Property of our Company

Our Promoters do not have any interest in any property acquired by our Company within three years preceding the date of the Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of filing of the Draft Red Herring Prospectus or in any transaction for acquisition of land, construction of buildings and supply of machinery.

Our Company has leased to our Promoter, Grandhi Bharata Mallika Ratna Kumari (HUF) the lobby area situated in the ground floor of V-Square building, Door No. 47-15-8, Opp: TSR Complex, Dwarkanagar, Visakhapatnam 530016 vide a lease agreement dated April 01, 2020. The term of the Agreement is for a period of 5 years and the monthly rent payable by Grandhi Bharata Mallika Ratna Kumari (HUF) to the Company is ₹ 66,125 exclusive of taxes.

Our Company has entered into Business Agreement on March 31, 2009 (Execution Date) with M/s Vaibhav Jewellers (a proprietary business of Manoj Kumar Grandhi (HUF)), the Company agreed to transfer an amount of ₹ 173.1 million of its advances appearing under the head of 'Sundry Creditors' at book value as on March 31, 2009 to M/s Vaibhav Jewellers. This amount was collected in various tranches from customers as non-refundable advances towards prospective sale of jewellery in the ordinary course of business. The Parties also agreed that commencing from the financial year 2010-2011, Manoj Kumar Grandhi (HUF) shall pay the Company an amount of ₹ 120,000 towards royalty for the usage of the "Vaibhav Jewellers" trademark. Subsequently, the Company entered into an Addendum Agreement dated April 1, 2012 to take note of the change in name of Manoj Kumar Grandhi (HUF) to Grandhi Bharata Mallika Ratna Kumari (HUF). Thereafter, on August 1, 2016 the Company entered into another Addendum Agreement to take note of its change in name from Vaibhav Empire Private Limited to Manoj Vaibhav Gems 'N' Jewellers Private Limited.

Interest of Promoters in our Company other than as Promoters

Except as stated in this section and the sections titled "*Our Business*", "*Our Management*", "*History and Certain Corporate Matters*", "*Financial Indebtedness*" and *"Related Party Transactions"* on pages 159, 202, 192, 318 and 285, respectively, our Promoters do not have any interest in our Company other than as promoters.

Interest in our Company arising out of being a member of a firm or company

Our Promoters are not interested as members of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify him as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Interest of Promoters in Intellectual Property

Our Promoters are not interested in any intellectual property rights that are used by our Company except for usage of the trademark "VAIBHAV JEWELLERS" by our Promoter Grandhi Bharata Mallika Ratna Kumari

(HUF). The said trademark was licensed pursuant to the Business Agreement dated March 31, 2009. As per the Business Agreement mentioned herein the Company charged our Promoter Grandhi Bharata Mallika Ratna Kumari (HUF) a yearly license fee amounting to ₹ 120,000 for the purpose of using the trademark.

Our Company has not made any payments in cash or shares or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters; nor have our Promoters been offered any inducements to become directors or to otherwise be interested in any firm or company, in connection with the promotion or formation of our Company.

COMMON PURSUITS OF OUR PROMOTERS

Except for the following, Our Promoters are not involved with any company or firms which are in the same line of activity or business as that of our Company.

Name of the Promoter	Name of the Entity/HUF/Firm	Nature of Interest
Bharata Mallika Ratna Kumari Grandhi	Vaibhav Jewellers Private Limited	Director and Shareholder
	Grandhi Bharata Mallika Ratna Kumari (HUF)	Karta
Grandhi Sai Keerthana	Vaibhav Jewellers Private Limited	Director and Shareholder
	Grandhi Bharata Mallika Ratna Kumari (HUF)	Coparcenar

Our Promoter Grandhi Bharata Mallika Ratna Kumari (HUF) was involved in the business of managing purchase advance schemes. The HUF discontinued accepting new customer advances from June 01, 2022 and is only managing existing purchase advance schemes due for redemption.

PAYMENT OF AMOUNTS OR BENEFITS TO OUR PROMOTERS OR PROMOTER GROUP DURING THE LAST TWO YEARS

Except as stated in the section titled "*Related Party Transactions*" on pages 285, no amount or benefit has been paid by our Company to our Promoters or members of our Promoter Group in the two years preceding the date of this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

Except as stated in the section titled *"Related Party Transactions"* on page 285, our Company has not entered into any related party transactions with our Promoters.

CONFIRMATIONS

Our Company has not made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with thepromotion or formation of our Company.

Our Promoters are not related to any sundry debtors of our Company.

DISASSOCIATION BY PROMOTERS IN THE LAST THREE YEARS

Our Promoters have not disassociated from any companies or firms during the three years preceding the

S.No	Disassociated Entity	Promoter	Date of Association	Reason for Disassociation
1	Vaibhav Sky Scapes Limited	Bharata Mallika Ratna Kumari Grandhi Grandhi Sai Keerthana	07th September, 2021	Company has been struck off
2	Vaibhav Golden Avenues Private Limited	Bharata Mallika Ratna Kumari Grandhi Grandhi Sai Keerthana	08th September, 2021	Company has been struck off
3	Vaibhav Hospitalities Private Limited	Bharata Mallika Ratna Kumari Grandhi Grandhi Sai Keerthana	08th September, 2021	Company has been struck off
4	Vaibhav Goldfin Services Private Limited	Bharata Mallika Ratna Kumari Grandhi Sai Keerthana	08th September, 2021	Company has been struck off
5	Vaibhav Green Energy Private Limited	Bharata Mallika Ratna Kumari Grandhi Sai Keerthana	08th September, 2021	Company has been struck off
6	Vaibhav Sign Tower Private Limited	Bharata Mallika Ratna Kumari Grandhi Sai Keerthana	08th September, 2021	Company has been struck off
7	Emerge Enterprises India Private Limited	Grandhi Sai Keerthana	13th March, 2021	Company has been struck off

date of filing of thisDraft Red Herring Prospectus except as disclosed herein below:

GUARANTEES

Except as disclosed below, our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as on the date of this Draft Red Herring Prospectus:

Deed of Guarantee dated October 28, 2021 by Bharata Mallika Ratna Kumari Grandhi, Grandhi Sai Keerthana in favour of State Bank of India, the lead bank of the Bank Consortium for a loan amount of ₹3640.00 million.

Promoter Group

In addition to the Promoters mentioned above, the individuals and entities that form part of the Promoter Group of our Company in terms of the SEBI ICDR Regulations are set out below:

I. *Individuals who are a part of our Promoter Group*

A. *Bharata Mallika Ratna Kumari Grandhi*

Sr. No.	*Name of the Relative*	*Relation with Promoter*
1.	Parvathy Devisetty	Mother
2.	Grandhi Sai Sindhuri	Daughter
3.	Grandhi Sai Keerthana	Daughter
4.	Grandhi Durga Krishna Sai Sarayu	Daughter
5.	Gokavarapu P.A. Raja Kumari	Sister
6.	Somaradhika Lakshmikumari Challa	Sister
7.	Nagavenkataveerabhadra Ravikumar Devisetty	Brother
8.	Grandhi Krishna Kumari	Mother of the Spouse
9.	G.S.V. Amarendra	Brother of the Spouse
10.	Maddu Padmajarani	Sister of the Spouse
11.	Chaluvadi Maruthi Venkatesh	Son-in-law

B. ***Grandhi* Sai Keerthana**

Sr. No.	*Name of the Relative*	*Relation with Promoter*
1.	Gontla Rakhal	Husband
2.	Bharata Mallika Ratna Kumari Grandhi	Mother
3.	Grandhi Sai Sindhuri	Sister
4.	Grandhi Durga Krishna Sai Sarayu	Sister
5.	Udaya Kumar Gontla	Father of the Spouse
6.	Gontla Shireesha	Mother of the Spouse
7.	Gontla Tarak	Brother of the Spouse

II. *Entities who are a part of our Promoter Group*

Name of the Promoter	**Promoter Group Entity**
Bharata Mallika Ratna Kumari Grandhi	- Vaibhav Jewellers Private Limited - Harshil Enterprises (India) Private Limited - Vaibhav Hotels and Leisures (Vishakapatnam) Private Limited - Manoj Vaibhav Jewellers Private Limited - Sri Venkata Amarendra Grandhi (HUF) - Vaibhav Spot Bullion Private Limited - Devisetty Naga Venkata Veerabhadra Ravikumar (HUF) - Siri Golden Avenues Private Limited
Grandhi Sai Keerthana	- Gontla Subbarayudu Chetty & Sons - Gontla Uday Kumar (HUF) - Vagmi Build Pro Private Limited - Bakers Mantra

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group, see "*Capital Structure – Notes to Capital Structure - Shareholding of our Promoters and the members of our Promoter Group*" on page 86.

Other Confirmations

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Our Promoters, and members of our Promoter Group have not been declared as wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers as defined under the SEBI ICDR Regulations.

OUR GROUP COMPANIES

Under the SEBI ICDR Regulations, the definition of 'group companies' includes: (a) such companies (other than the promoters) with which there were related party transactions, during the period for which financial information is disclosed, as covered under applicable accounting standards, and (b) such other companies as are considered material by our Board. Pursuant to a Board resolution dated August 22, 2022, our Board formulated a policy with respect to companies which it considered material to be identified as group companies.

Accordingly, for (a) above, all companies with which our Company has entered into related party transactions during the period covered in the Restated Financial Information; as covered under the applicable accounting standards, are considered as Group Companies in term of the SEBI ICDR Regulations. For (b) above, our Board does not consider any company as a group company.

Set forth below, based on the aforementioned criteria, are details of our Group Companies as on the date of this Draft Red Herring Prospectus.

1. Harshil Enterprises (India) Private Limited;
2. Vaibhav Hotels & Leisures (Visakhapatnam) Private Limited;
3. Vaibhav Jewellers Private Limited; and
4. Manoj Vaibhav Jewellers Private Limited.

Details of our Group Companies

1. *Harshil Enterprises (India) Private Limited;*

Registered office
The registered office of Harshil Enterprises (India) Private Limited is at D. No. 47-10-19, 2nd Lane, Dwarakanagar Visakhapatnam-530016 Andhra Pradesh, India.

Financial Performance
Harshil Enterprises (India) Private Limited does not have a website. Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited financial statements for the preceding three years (for which audit has been done as on date of this Draft Red Herring Prospectus) shall be hosted on the website of our Company at https://www.vaibhavjewellers.com/investor-relations.

2. *Vaibhav Hotels & Leisures (Visakhapatnam) Private Limited*

Registered office
The registered office of Vaibhav Hotels & Leisures (Visakhapatnam) Private Limited is at D.No.47-10-19 Empire House, Dwarakanagar, Visakhapatnam-530016 Andhra Pradesh, India.

Financial Performance
Vaibhav Hotels & Leisures (Visakhapatnam) Private Limited does not have a website. Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited financial statements for the preceding three years (for which audit has been done as on date of this Draft Red Herring Prospectus) shall be hosted on the website of our Company at https://www.vaibhavjewellers.com/investor-relations.

3. ***Vaibhav Jewellers Private Limited***

Registered office

The registered office of Vaibhav Jewellers Private Limited is at D.No.47-15-7, A-1, Pavan Palace, Dwarakanagar, Visakhapatnam-16. Andhra Pradesh, India.

Financial Performance

Vaibhav Jewellers Private Limited does not have a website. Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited financial statements for the preceding three years (for which audit has been done as on date of this Draft Red Herring Prospectus) shall be hosted on the website of our Company at https://www.vaibhavjewellers.com/investor-relations.

4. Manoj Vaibhav Jewellers Private Limited

Registered office

The registered office of Manoj Vaibhav Jewellers Private Limited is at D.No.7A-9-21/1, Main Bazar Eluru, Andhra Pradesh – 534 001, India.

Financial Performance

Manoj Vaibhav Jewellers Private Limited does not have a website. Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited financial statements for the preceding three years (for which audit has been done as on date of this Draft Red Herring Prospectus) shall be hosted on the website of our Company at https://www.vaibhavjewellers.com/investor-relations**.**

Litigation which has a material impact on our Company

None of our Group Companies are currently party to any pending litigations which would have a material impact on our Company.

Common pursuits

Except for Vaibhav Jewellers Private Limited and Manoj Vaibhav Jewellers Private Limited, there are no common pursuits amongst our Group Companies and our Company.

Related Business Transactions within the group and significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Related Party Transactions*" on page 285, there are no other business transactions between our Company and Group Companies which are significant to the financial performance of our Company.

Business interests or other interests

Except as disclosed in "*Related Party Transactions*" on page 285, our Group Companies do not have any business interest in our Company.

Other Confirmations

None of our Group Companies have their securities listed on a stock exchange. Further, our Group Companies have not made any public or rights issue of securities in the three years preceding the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder). The dividend policy of our Company was adopted pursuant to the resolution of our Board dated August 22, 2022 ("Dividend Policy").

In terms of the Dividend Policy, our Board will consider various internal / financial parameters before declaring or recommending dividend to Shareholders, including, amongst others, the operating cash flow of our Company, the profits earned during the year, the profits available for distribution, the earnings per share, if any, and our working capital requirements. Further, our Board will consider external factors, such as industry outlook and economic environment, statutory provisions and guidelines, and dividend pay-out ratios of companies in the same industry, before declaring dividend. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under our current or future loan or financing documents. For more information on restrictive covenants under our current loan agreements, see "Financial Indebtedness" on page 318.

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.

Our Company has not declared any dividends on the Equity Shares during the last three Fiscals, until the date of this Draft Red Herring Prospectus. The past trend in relation to our payment of dividends is not necessarily indicative of our dividend trend or dividend policy, in the future, and there is no guarantee that any dividends will be declared or paid in the future. For details in relation to the risk involved, see "Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future." on page 55.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

Independent Auditor's Examination Report on the Restated Statement of Assets and Liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Statement of Profit and Loss (including Other Comprehensive Income), Restated Statement of Changes in Equity, Restated Cash flow Statement, Summary Statement of Significant Accounting Policies and Other Explanatory Information for each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020.

To
The Board of Directors,
Manoj Vaibhav Gems 'N' Jewellers Limited
(Formerly known as Manoj Vaibhav Gems `N` Jewellers Private Limited)
D. No. 47-15-8, V Square, Zone – A, Dwarakanagar,
Visakhapatnam
Andhra Pradesh 530016

Dear Sir / Madam,

1. We have examined the attached Restated Financial Information of Manoj Vaibhav Gems 'N' Jewellers Limited ("Formerly known as "Manoj Vaibhav Gems 'N' Jewellers Private Limited") (the "Company" or "Issuer") (CIN: U55101AP1989PLC009734), comprising the Restated Statement of Assets and Liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Statements of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 & the Summary of Significant Accounting Policies and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on August 22, 2022 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equityshares ("IPO") prepared in terms of the requirements of:
    a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");
    b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "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").
    d) E-mail dated 28 October 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide financial statements prepared in accordance with Indian Accounting Standards (Ind-AS) for all the three years and stub period (where applicable), hereinafter referred to as the "the SEBI e-mail".

Responsibility of Management for the Restated Financial Information

2. The Company's Board of Directors are responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") in connection with the IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2(a) to the Restated Financial Information. The Company's 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 are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note read with SEBI e-mail, as applicable in connection with the IPO.

3. 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 24th December, 2021 requesting us to carry out the assignment in connection with the IPO of equity shares 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, the ICDR Regulations and the SEBIe-mail.

   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 read with SEBI e-mail, as applicable, in connection with the IPO.

4. These Restated Financial Information have been compiled by the management from:

   a) Audited Ind AS financial statements of the Company for the year ended March 31, 2022, which were prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable, which have been approved by theBoard of Directors at their meeting held on August 22, 2022.
   b) The audited special purpose Ind AS financial statements as at and for the years ended March 31, 2021 and March 31, 2020 prepared on the basis as described in Note 2(a) to the restated financial information, which have beenapproved by the Board of Directors at their meeting held on August 22, 2022.
   c) From the audited financial statements of the Company as at and for the years ended 31 March 2021 and 31 March 2020 prepared in accordance with Indian GAAP which were approved by the Board of Directors in their meetings heldon September 09, 2021 and September 03, 2020 respectively.

5. For the purpose of our examination, we have relied on:
   a) Auditors' report issued by us dated August 22, 2022 on the financial statements of the Company as at and for the year ended March 31, 2022 as referred in Paragraph 4 above; and
   b) Auditors' report issued by us dated August 22, 2022 on the special purpose Ind AS Financial statements as at and for the years ended March 31, 2021 and March 31, 2020 as referred in Paragraph 4 above, which included the following paragraph:

   Basis of Accounting and Restriction on Distribution and Use

   We draw your attention to Note 2(a) to the special purpose Ind AS financial information, which describes the purpose and basis of preparation. The Special purpose Ind AS financial statements have been prepared by the company solely for the purpose of preparation of the Restated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("the ICDR Regulations") in relation to the proposed initial public offering of the Company and to comply with the general directions dated October 28, 2021 received from Securities and Exchange Board of India (SEBI) by the Company through Book Running Lead Managers (the "SEBI E-Mail"). As a result, the Special purpose Ind AS financial statements may not be suitable for any other purpose and are not financial statements prepared pursuant to any requirements under Section 129 of the Companies Act, 2013. The Special purpose Ind AS financial statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing.

c) For the purpose of Special purpose audit report referred in para 5(b) above, we have relied on Auditors' report issued by the previous auditor dated September 09, 2021 and September 03, 2020 on the Indian GAAP financial statements of the Company as at and for the years ended March 31, 2021 and 2020 respectively.

The audits for the financial years ended March 31, 2021 and March 31, 2020 were conducted by the Company's previous auditor, K.K.S. Swamy, Chartered Accountant ("the Previous Auditor"). As informed to us by the management, the Predecessor Auditor does not hold a valid peer review certificate as issued by the "Peer Review Board" of the Institute of Chartered Accountants of India and has therefore, expressed his inability to perform any work on the restated financial information for the aforesaid years. Accordingly, in accordance with ICDR Regulations and SEBI E-mail, we have audited the Special purpose Ind AS Financial statements of the company for the years ended March 31, 2021 and March 31, 2020 as referredin paragraph 4(b) above and issued our special purpose audit reports thereon.

6. Based on our examination and according to the information and explanations given to us and based on the para 4 above, we report that the Restated Financial Information:

   a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021 and March 31 2020 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended March 31, 2022.
   b) have been prepared in accordance with the Act, ICDR Regulations and the guidance note, as applicable.
   c) provided under this Report is on standalone basis.

   d) There were no qualifications in auditor's report on the audited financial statements of the Company for the financial year ended March 31, 2022, 2021 and 2020 which require any adjustments to the restated financial information. However, auditors report dated September 09, 2021 and September 03, 2020referred to in paragraph 5(c) above includes emphasis of matter on impact of COVID-19 on operation of the Company which do not require any adjustmentto the restated financial information.

   Following is the emphasis of matter para which was included in the Audit Report for the financial years ended March 31, 2021 and March 31, 2020 bythe previous auditors referred to in paragraph 5(c) above.

   The Developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society, as well as on the operational and financial performance of all organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The company is confronted with this uncertainty as well, which has been disclosed in the Note 38 to the financial statements. We draw attention to these disclosures. Our opinion is not modified in respect of this matter."

   <u>*Note No. 38 of the Financial Statements for the year ended March 31, 2021 and March 31, 2020:*</u>

   "In assessing the recoverability of receivables, realization of inventories, other current assets and intangible assets, and certain fixed assets, the Company has considered internal and external information up to the date of approval of these financial statements. The Company has evaluated recoverability and realization of assets based on current indicators of future economic conditions and expects to recover and realize the carrying amount of these assets. The impact of the global health pandemic may be different estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material charges to future economic conditions.

7. 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.

8. The Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited Ind AS financial statements / audited special purpose Ind AS financial statements mentionedin paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for the purpose for inclusion in the DRHP to be filed with Securities and Exchange Board of India and Stock Exchanges in connection with the IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands itmay come without our prior consent in writing.

For Sagar & Associates
Chartered Accountants
Firm's Registration Number:003510S

CA. B. Aruna
Partner
Membership Number: 216454
UDIN:22216454APPEKQ3027

Place: Visakhapatnam
Date: August 22, 2022

1. Note 1:

Background

M/s. Manoj Vaibhav Gems 'N' Jewellers Limited ("the Company") (CIN: U55101AP1989PLC009734) is engaged in the business of jewellery and having registered office at 47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar, Vishakhapatnam 530016. The Company is running it's jewellery business under the name and style of "Vaibhav Jewellers",being registered trade mark.

2. Note 2: Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are forthe company.

(a) Basis for preparation

The restated financial statement of the Company comprises the Restated Statement of Assets and Liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Statement of Profit and Loss (including other comprehensive income), the Restated Statement of Cash Flows and the Restated Statement of Changes in Equity for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and the Summary Statement of Significant Accounting Policies, and other explanatory notes (collectively, the "restated financial statement"). These restated financial statement have been prepared by the management of the Company for the purpose of inclusion in the draft red herring prospectus and prospectus (collectively the "Offer Documents") prepared by the Company in connection with its proposed Initial Public Offer ("IPO") interms of the requirements of:

(i) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, asamended ("ICDR Regulations"); and
(iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of CharteredAccountants of India (ICAI), as amended (the "Guidance Note").

These restated financial statement have been compiled by the Management from:

1) Audited Ind AS financial statements of the Company for the year ended March 31, 2022, which were prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on August 22, 2022.

2) The audited Special Purpose Ind AS financial statements as at and for the years ended March 31, 2021 and March 31, 2020 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on August22, 2022.

The Special Purpose Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations") in relation to the proposed initial public offering of the Company and to comply with the general directions dated October 28, 2021 received from Securities and Exchange Board of India (SEBI) by the Company through Book Running Lead Managers (the "SEBI E- Mail").

Accordingly, the Company has prepared the Special purpose Ind AS financial statements for the years ended March 2021, March 2020 with comparative figures of March 2019. Hence, the date of transition to Ind AS for preparation of the Special purpose Ind AS financial statements is considered as April 01, 2018. Since the restated financial information is prepared based on the Special purpose Ind AS Financial Statements, date of transition to Ind AS for the preparation of the RestatedFinancial Information is considered as April 01, 2018.

3) From the audited financial statements of the company as at and for the years ended March 31, 2021 and March 31, 2020 prepared in accordance with Indian GAAP which were approved by the Board of Directors in their meetings held on September 09, 2021 and September 03, 2020 respectively.

The Company follows historical cost convention and accrual method of accounting in the preparation of the financial statements, except otherwise stated.

The accounting policies have been consistently applied by the Company in preparation of the Restated Financial Statements and are consistent with those adopted in the preparation of financial statements for the year ended March 31, 2022.

The restated financial statement:

i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31 2021 and 2020 to reflect the same accounting treatment as per the accounting policy and regrouping/classifications followed as at and for the year ended March 31, 2022.
ii) do not require any adjustment for modification as there is no modification in the underlying audit reports.

(b) Statement of Compliance

These restated financial statement of the Company have been prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

(c) Use of estimates and judgement

The preparation of restated financial statement in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of restated financial statement. The actual outcome may diverge from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Useful lives of property, plant and equipment:
The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

(ii) Fair value of financial assets and liabilities and investments:
The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's bestestimate about future developments.

(iii) Provisions and contingent liabilities
Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of thosecash flows (when the effect of time value of money is material).

Contingent liabilities: Contingent liabilities are not recognised but are disclosed in notes to accounts.

(d) Functional and presentation currency

Items included in the restated financial statement of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The restated financial statement is presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

(e) Revenue Recognition

a) Sale of goods: Revenue from the sale of goods is recognized at the point in time when control over the goods sold is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, net of discounts, variable considerations, other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities.

b) Interest income: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset of that asset's net carrying amount on initialrecognition.

c) Service Income - Service income is recognized on rendering of services based on the agreements / arrangements with theconcerned parties.

(f) Leases

The Company's lease asset classes consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019 (standard effective date). The Company recognises a right-of-use asset and a lease liability at the later of lease commencement date or April 01, 2019. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right- of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

(g) Foreign currencies

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on transactions designated asfair value hedge, if any.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets thatnecessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets,until such time the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Gold metal loan

The company has an arrangement with its banker for lifting gold under metal loan terms against a limit under "price unfixed basis" and opts to fix the price for gold taken under loan within 180 days at delivery. However, based on business expediencies the company fixes the price within 180 days, whenever the price is favorable and carried the transaction under the forward cover to be settled for payment of money on the specified date. The price difference arising out of such transactions are bifurcated into weight to foreign currency and foreign currency to INR. The same are accounted to the head of purchase and foreign exchange fluctuation respectively. The interest if any payable to bankers on such outstanding is treated as expenses on accrual basis.

The outstanding metal loan position if any as on reporting date is special purpose at marked to market price and the resulting difference if any is accounted to the purchase account and foreign exchange fluctuation.

(i) Employee benefits

Leave Encashment: Compensatory absence which accrue to the employees which are expected to be availed or encashed within twelve months after the end of the period in which the employees render the related service are short-term in nature. These compensatory absences require measurement on an actual basis and not on actuarial basis.

Defined contribution plan: The company makes defined contribution to Provident Fund and Employee State Insurance whichare recognized in the statement of Profit and Loss on accrual basis.

Defined benefit plan: The company's liability towards gratuity is determined on the basis of year end actuarial valuations applying the Projected Unit Credit Method done by an independent actuary as on the Balance sheet date.

The actuarial valuation method used by the independent actuary for measuring the liability is the projected unit credit method. Actuarial losses and gains are recognized in Other Comprehensive Income (OCI) and are not reclassified to the statement of profit and loss in any subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service costs.

(j) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

b) Minimum Alternate Tax (MAT): paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

c) Deferred tax: Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(k) Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is carried at historical cost.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price/ acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation on Property, plant and equipment (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in the case of fixtures at stores, has been provided based on the lease period of the respective premises. The estimated useful life of the tangible assets and the useful life are reviewed at the end of the each financial year and the depreciation period is revised to reflect the changed pattern, if any. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss. Any leasehold improvements are depreciated over the leaseterm.

Capital work-in-progress

Capital work in progress includes, cost of assets not yet commissioned, and incidental expenses during the construction period. Certain directly attributable pre-operative expenses during construction period are included under Capital Work in Progress. These expenses are allocated to the cost of Fixed Assets when the same are ready for intended use.

(l) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised. The depreciation on Property, plant and equipment (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II tothe Companies Act, 2013.

(m) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Estimated useful lives of the intangible assets is 6 years which contains Software. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of the each financial year and the amortisation period is revised to reflect the changed pattern, if any.

(n) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

(o) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined for raw material; work-in-progress; and finished goods on 'weighted average' basis. The cost of inventories includes all cost of purchase, cost of conversion andother cost incurred in bringing the Inventories to their present location and condition.

Packing materials and Gift items are valued at cost on FIFO basis.

(p) Provisions and contingencies

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of thosecash flows (when the effect of time value of money is material).

Contingent liabilities: Contingent liabilities are not recognised but are disclosed in notes to accounts.

(q) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

a) Non-derivative Financial assets: All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assetswithin the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, dependingon the classification of the financial assets

Financial assets at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collectcontractual cash flows and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principaland interest (SPPI) on the principal amount outstanding.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is that which exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets. Interest income is recognised in profit or loss and is included in the "Other income" line item.

b) Derecognition of financial assets: A financial asset is derecognised only when the Company:
- has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.
Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

c) Foreign exchange gains and losses: The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit andloss.

d) Financial liabilities: All financial liabilities are subsequently measured at amortised cost using the effective interest methodor at FVTPL.

Financial liabilities at FVTPL - Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income/Other expenses' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

(r) Segment reporting

Operating segments are reported in the manner consistent with the internal reporting to the Chief Executive Officer. TheCompany is reported at an overall level, and hence there are no separate reportable segments as per Ind AS 108.

(s) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible intoknown amounts of cash and which are subject to insignificant risk of changes in value.

(t) Earnings per share (EPS)

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the profit or loss attributable to ordinary equity holders by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted forbonus shares, as appropriate.

(u) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. **Statement of restated assets and liabilities**

(All amounts are in ₹ million, except otherwise stated)

Particulars	Note No.	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	3	463.47	492.46	536.54
(b) Capital work-in-progress	3	30.19	65.76	165.62
(c) Investment properties	4	191.57	197.16	198.87
(d) Other intangible assets	5	1.87	2.29	2.96
(e) Right-of-use assets	6	216.39	234.69	471.16
(f) Financial assets				
(i) Other financial assets	7	42.52	39.93	29.82
(g) Other non-current assets	8	6.68	7.60	6.82
(h) Deferred tax assets (Net)	21	20.73	11.33	8.04
		973.42	**1,051.22**	**1,419.83**
2 **Current assets**				
(a) Inventories	9	7,671.50	6,411.74	6,331.18
(b) Financial assets				
(i) Trade receivables	10	200.21	197.63	77.61
(ii) Cash and cash equivalents	11	63.92	217.23	180.56
(iii) Bank balances other than (ii) above	12	22.51	31.24	63.45
(iv) Loans	13	1.70	2.94	1.84
(v) Other financial assets	14	1.88	10.00	12.63
(c) Other current assets	15	60.19	109.00	99.12
		8,021.91	6,979.77	6,766.40
Total Assets		**8,995.33**	**8,030.99**	**8,186.22**
EQUITY AND LIABILITIES				
1 **Equity**				
(a) Equity share capital	16	97.70	97.70	97.70
(b) Other equity	17	2,630.89	2,192.16	1,983.10
		2,728.59	**2,289.86**	**2,080.80**
2 **Liabilities**				
(1) **Non-current liabilities**				
(a) **Financial liabilities**				
(i) Lease liabilities	6	223.15	226.05	441.28
(ii) Borrowings	18	1,040.26	1,139.69	451.68
(iii) Other financial liabilities	19	2.12	1.81	1.62
(b) Provisions	20	34.95	33.36	32.13
		1,300.48	**1,400.91**	**926.72**
(2) Current liabilities				
(a) Financial liabilities				
(i) Lease liabilities	6	30.96	29.72	40.05
(ii) Borrowings	22	3,737.09	3,494.65	3,741.51
(iii) Trade payables	23			
-Due to micro, small and medium enterprises		40.63	-	-
-Others		845.42	588.82	1,005.95
(iv) Other financial liabilities	24	15.73	11.82	18.25
(b) Other current liabilities	25	274.13	209.14	350.51
(c) Provisions	26	8.64	7.94	5.74
(d) Current tax liabilities (Net)	27	13.65	(1.86)	16.70
		4,966.26	**4,340.22**	**5,178.71**
Total equity and liabilities		**8,995.33**	**8,030.99**	**8,186.22**
Corporate information and significant accounting policies 1 & 2				
The accompanying notes are an integral part of the restated financial statements				

As per our examination report of even date		
For Sagar & Associates	**For and on behalf of the Board of Directors**	
Chartered Accountants		
	GBM Ratna Kumari	**GS Keerthana**
	Chairperson &	**Whole-Time Director &**
CA B. Aruna		
	Managing Director	**Chief Financial Officer**
Partner	**DIN : 00492520**	**DIN : 05211918**
Membership No. : 216454		
F. No. 003510S		
Place: Visakhapatnam	**R. Satish**	**B. Shiva Krishna**
Date: August 22, 2022	**Chief Executive Officer**	**Company Secretary &**
		Compliance Officer

STATEMENT OF RESTATED PROFIT AND LOSS

(All amounts are in ₹ million, except otherwise stated)

Particulars	Note No.	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
I **INCOME**				
(a) Revenue from operations	28	16,939.19	14,335.69	12,791.30
(b) Other income	29	37.80	96.09	51.69
II **Total Income**		**16,976.98**	**14,431.79**	**12,842.99**
III **EXPENSES**				
(a) Cost of raw material consumed	30	9,766.08	8,147.34	5,956.67
(b) Purchases of stock-in-trade	30	6,251.53	4,648.62	6,133.01
(c) Changes in inventories	31	(1,155.81)	(60.91)	(1,214.15)
(d) Employee benefits expense	32	356.17	278.91	401.13
(e) Finance costs	33	416.33	425.34	451.31
(f) Depreciation and amortization expense	34	86.94	87.98	89.41
(g) Other expenses	35	671.64	513.88	692.96
IV **Total expenses**		**16,392.87**	**14,041.17**	**12,510.33**
V **Profit before exceptional items and tax (II-IV)**		584.12	390.62	332.65
VI Exceptional Items	51	-	112.34	-
VII **Profit before tax (V-VI)**		584.12	278.28	332.65
VIII Tax expense:		147.32	70.91	88.79
(a) Current Tax		157.38	74.93	100.59
(b) Deferred Tax	21	(10.06)	(3.86)	(13.34)
(c) Short/ (Excess) provision of earlier years		0.00	(0.16)	1.54
IX **Profit for the year (VII-VIII)**		**436.79**	**207.37**	**243.86**
X **Other Comprehensive Income**				
A) Items that will not be reclassified to profit or loss				
a) Remeasurements of the defined benefit plans		2.59	2.27	(2.57)
b) Income tax relating to Items that will not be reclassified to profit or loss	21	(0.65)	(0.57)	0.65
Other comprehensive income / (loss) for theyear, net of tax		1.94	1.70	(1.92)
XI **Total comprehensive income for the year (IX+X)**		**438.73**	**209.07**	**241.94**
XII Earnings per equity share				
(a) Basic earnings per share of ₹ 10 each	36	11.18	5.31	6.24
(b) Diluted earnings per share of ₹ 10 each		11.18	5.31	6.24

The accompanying notes are an integral part of the restated financial statements

As per our examination report of even date

For Sagar & Associates
Chartered Accountants

CA B. Aruna
Partner
Membership No.: 216454
F. No. 003510S
Place: Visakhapatnam
Date: August 22, 2022

For and on behalf of the Board of Directors

GBM Ratna Kumari
Chairperson &
Managing Director
DIN: 00492520

GS Keerthana
Whole-Time Director &
Chief Financial Officer
DIN: 05211918

R. Satish
Chief Executive Officer

B. Shiva Krishna
Company Secretary &
Compliance Officer

Restated statement of cash flows

(All amounts are in ₹ million, except otherwise stated)

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
A) Cash Flows from Operating Activities			
Net profit before tax and exceptional items	584.12	390.62	332.65
Adjustments for :			
Amortisation / Writeoff of Right to use	18.30	27.44	36.92
Actuarial gain / (loss)	2.59	2.27	(2.57)
Lease cancellation (net impact)	-	8.99	-
Depreciation on property, plant and equipment	67.13	67.97	69.37
Depreciation on investment properties	1.51	1.71	1.72
Unrealized foreign exchange (gain)/ loss	0.52	(17.25)	29.73
(Profit)/ Loss on sale of Property, Plant and Equipment	-	-	1.32
Provision for bad and doubtful debts	3.54	-	-
Account balances written-off	(6.84)	-	-
Interest expense	403.78	415.44	437.75
Interest income	(3.23)	(29.93)	(24.07)
Operating profit before working capital changes	**1,071.40**	**867.26**	**882.83**
Adjustments for working capital changes			
(Increase) / Decrease of Other non-current assets	(0.09)	0.02	0.65
(Increase) / Decrease of Other non-current assets - Financial	(2.11)	(9.49)	84.08
(Increase) / Decrease of Inventories	(1,259.76)	(80.56)	(1,177.07)
(Increase) / Decrease of Trade Receivables	(6.11)	(120.02)	137.63
(Increase) / Decrease of Loans and Other current assets - Financial	9.46	1.04	(4.82)
(Increase) / Decrease of Other current assets	48.30	(9.98)	(37.44)
Increase / (Decrease) of Other long-term liabilities - Financial	0.31	0.19	0.17
Increase / (Decrease) of Long-term Provisions	1.58	1.23	7.32
Increase / (Decrease) of Trade payables	297.23	(417.13)	432.76
Increase / (Decrease) of Other current liabilities	72.22	(140.98)	181.11
Increase / (Decrease) of Other financial liabilities	2.58	1.80	0.15
Increase / (Decrease) of Short term provisions	0.71	2.19	1.25
Cash generated from operations	235.72	95.56	508.61
Income tax paid	(146.15)	(98.29)	(177.58)
Cash Flow Before Exceptional items	89.57	(2.73)	331.03
Exceptional Items	-	(112.34)	-
Net Cash generated from/(used in) operating activities	**89.57**	**(115.07)**	**331.03**
B) Cash flows from Investing Activities			
Sale/ (Purchase) of Property, Plant and Equipment/CWIP (incl capital advances)	(2.00)	73.96	(43.39)
(Increase)/ Decrease in Investment properties (net)	4.09	(0.00)	(108.35)
(Increase)/ Decrease in Deposits	8.73	32.21	76.35
Interest received	2.21	2.92	18.32
Net Cash generated from/(used in) Investing Activities	**13.03**	**109.08**	**(57.07)**
C) Cash flows from Financing Activities			
Proceeds/ (repayment) from or of Long-term borrowings	(99.43)	688.01	(1.59)
Proceeds / (repayment) from or of Short-term borrowings	242.44	(229.51)	43.66
Prinicpal payment of lease liability	(29.72)	(40.05)	(52.28)
Interest paid	(369.18)	(375.80)	(357.59)
Net Cash generated from/(used in) Financing Activities	**(255.90)**	**42.65**	**(367.80)**
Net change in cash and cash equivalents (A + B + C)	**(153.30)**	**36.66**	**(93.84)**
Cash and Cash equivalents at the beginning of the year	217.23	180.56	274.40
Cash and Cash equivalents at the end of the year (refer note 11)	**63.92**	**217.23**	**180.56**

As per our examination report of even date		For and on behalf of the Board of Directors
For Sagar & Associates **Chartered Accountants**		
	GBM Ratna Kumari Chairperson & Managing Director DIN: 00492520	**GS Keerthana** Whole-Time Director & Chief Financial Officer DIN: 05211918
CA B. Aruna Partner Membership No.: 216454 F. No. 003510S		
Place: Visakhapatnam **Date: August 22, 2022**	**R. Satish** Chief Executive Officer	**B. Shiva Krishna** Company Secretary & Compliance Officer

STATEMENT OF RESTATED CHANGES IN EQUITY

(All amounts are in ₹ million, except otherwise stated)

a. Equity share capital

Particulars	Notes	Amount
Balance as at March 31, 2019	16	**97.70**
Changes in equity share capital due to prior period errors		-
Restated balance as at April 01, 2019		-
Changes in equity share capital during theyear		-
Balance as at March 31, 2020	16	**97.70**
Changes in equity share capital due to prior period errors		-
Restated balance as at April 01, 2020		-
Changes in equity share capital during theyear		-
Balance as at March 31, 2021	16	**97.70**
Changes in equity share capital due to prior period errors		-
Restated balance as at April 01, 2021		-
Changes in equity share capital during theyear		-
Balance as at March 31, 2022	16	**97.70**

b. Other equity

Particulars	Notes	Reserves and surplus		Total Equity
		Securities premium	Retained Earnings	
Balance as at March 31, 2019	17	**280.25**	**1,460.90**	**1,741.15**
Profit for the year (Net)		-	243.86	243.86
Other comprehensive income for the year		-	(1.92)	(1.92)
Balance as at March 31, 2020	17	**280.25**	**1,702.85**	**1,983.10**
Profit for the year (Net)		-	207.37	207.37
Other comprehensive income for the year		-	1.70	1.70
Balance as at March 31, 2021	17	**280.25**	**1,911.91**	**2,192.16**
Profit for the year (Net)		-	436.79	436.79
Other comprehensive income for the year		-	1.94	1.94
Balance as at March 31, 2022	17	**280.25**	**2,350.64**	**2,630.89**

As per our examination report of even date
For Sagar & Associates
Chartered Accountants

CA B. Aruna
Partner
Membership No.: 216454
F. No. 003510S

Place:Visakhapatnam
Date:August 22, 2022

For and on behalf of the Board of Directors

GBM Ratna Kumari
Chairperson &
Managing Director
DIN: 00492520

GS Keerthana
Whole-Time Director &
Chief Financial Officer
DIN: 05211918

R. Satish
Chief Executive Officer

B. Shiva Krishna
Company Secretary &
Compliance Officer

Notes to restated financial information

(All amounts are in ₹ million, except otherwise stated)

Note No. 3

Property, plant and equipment

Description of Asset	Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Electrical Installations	Computers	Total	Capital Work-In-Progress
Gross Carrying Amount											
As at 1 Apr, 2019	15.95	77.60	105.46	45.96	198.41	24.30	31.78	157.90	10.38	667.74	127.16
Additions	-	-	0.06	0.23	5.80	1.28	2.74	9.78	1.68	21.58	38.46
Disposals/adjustments	-	-	-	(0.18)	(3.53)	(3.67)	(1.31)	(13.41)	(0.13)	(22.23)	-
Closing Gross Carrying Amount(A)	15.95	77.60	105.52	46.02	200.68	21.91	33.21	154.26	11.93	667.09	165.62
Accumulated Depreciation											
Opening accumulated depreciation	-	1.46	6.79	7.66	18.57	2.95	12.91	14.07	3.58	68.00	-
Depreciation charge for the year	-	1.49	7.67	7.78	21.49	3.63	5.37	17.38	3.77	68.57	-
Disposals/adjustments	-	-	-	(0.00)	(0.00)	(3.37)	(0.07)	(2.58)	(0.00)	(6.03)	-
Closing accumulated depreciation as at Mar 31, 2020 (B)	-	2.95	14.46	15.44	40.06	3.21	18.20	28.87	7.35	130.55	-
Net Carrying Amount as at Mar 31, 2020 (A-B)	**15.95**	**74.65**	**91.06**	**30.58**	**160.63**	**18.69**	**15.01**	**125.39**	**4.58**	**536.54**	**165.62**
Gross Carrying Amount											
As at 1 Apr, 2020	15.95	77.60	105.52	46.02	200.68	21.91	33.21	154.26	11.93	667.09	165.62
Additions	-	-	5.51	-	5.63	-	0.51	10.93	0.55	23.13	9.14
Disposals/adjustments	-			-	-	-	-	-	-	-	(109.00)
Closing Gross Carrying Amount(C)	15.95	77.60	111.03	46.02	206.31	21.91	33.72	165.20	12.48	690.21	65.76
Accumulated Depreciation											
Opening accumulated depreciation	-	2.95	14.46	15.44	40.06	3.21	18.20	28.87	7.35	130.55	-
Depreciation charge for the year	-	1.49	7.88	7.76	21.69	3.69	4.96	17.68	2.06	67.20	-
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at Mar 31, 2021 (D)	-	4.44	22.34	23.20	61.75	6.90	23.16	46.55	9.40	197.75	-
Net Carrying Amount as at Mar 31, 2021 (C-D)	**15.95**	**73.16**	**88.70**	**22.82**	**144.56**	**15.00**	**10.55**	**118.65**	**3.07**	**492.46**	**65.76**

Notes to restated financial information

(All amounts are in ₹ million, except otherwise stated)

Description of Asset	Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Electrical Installations	Computers	Total	Capital Work-In-Progress
Gross Carrying Amount											
As at 1 Apr, 2021	15.95	77.60	111.03	46.02	206.31	21.91	33.72	165.20	12.48	690.21	65.76
Additions	-	7.64	9.56	-	18.13	1.20	0.16	1.94	0.30	38.93	-
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-	(35.57)
Closing Gross Carrying Amount(E)	15.95	85.24	120.60	46.02	224.44	23.11	33.88	167.14	12.77	729.14	30.19
Accumulated Depreciation											
Opening accumulated depreciation	-	4.44	22.34	23.20	61.75	6.90	23.16	46.55	9.40	197.75	-
Depreciation charge for the year	-	1.69	8.38	7.76	21.77	3.78	4.04	18.22	1.06	66.71	-
Disposals/adjustments	-	1.21	-	-	-	-	-	-	-	1.21	-
Closing Accumulated Depreciation as at Mar 31, 2022(F)	-	7.35	30.71	30.97	83.52	10.68	27.20	64.77	10.47	265.67	-
Net Carrying Amount as at Mar 31, 2022 (E-F)	**15.95**	**77.89**	**89.88**	**15.06**	**140.92**	**12.42**	**6.67**	**102.37**	**2.30**	**463.47**	**30.19**

(i) Property, plant and equipment mortagaged as security

Refer to note 43 for information on property, plant and equipment mortagaged as security by the company.

(ii) Contractual obligations

Refer to note 39(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Capital work-in-progress

The ageing of Capital work-in progress is provided in Note 42.

Note No. 4 – Investment Properties (All amounts are in ₹ million, except otherwise stated)

Description of Asset	Land	Building	Total
Gross Carrying Amount			
As at 1 Apr, 2019 Additions	16.07	77.88	93.95
Disposals/adjustments	108.35	-	108.35
Closing Gross Carrying Amount (A)	-	-	-
	124.43	77.88	202.30
Accumulated Depreciation			
Opening accumulated depreciation	-	1.71	1.71
Depreciation charge for the year	-	1.72	1.72
Disposals/adjustments	-	-	-
Closing accumulated depreciation as at Mar 31, 2020 (B)	-	3.43	3.43
Net Carrying Amount as at Mar 31, 2020 (A-B)	**124.43**	**74.45**	**198.87**
Gross Carrying Amount			
As at 1 Apr, 2020	124.43	77.88	202.30
Additions	-	-	-
Disposals/adjustments	-	-	-
Closing Gross Carrying Amount (C)	124.43	77.88	202.30
Accumulated Depreciation			
Opening accumulated depreciation	-	3.43	3.43
Depreciation charge for the year	-	1.71	1.71
Disposals/adjustments	-	-	-
Closing accumulated depreciation as at Mar 31, 2021 (D)	-	5.14	5.14
Net Carrying Amount as at Mar 31, 2021 (C-D)	**124.43**	**72.73**	**197.16**
Gross Carrying Amount			
As at 1 Apr, 2021	124.43	77.88	202.30
Additions	2.34	-	2.34
Disposals/adjustments	-	(7.64)	(7.64)
Closing Gross Carrying Amount (E)	126.76	70.24	197.00
Accumulated Depreciation			
Opening accumulated depreciation	-	5.14	5.14
Depreciation charge for the year	-	1.51	1.51
Disposals/adjustments	-	(1.21)	(1.21)
Closing Accumulated Depreciation as at Mar 31, 2022 (F)	-	5.43	5.43
Net Carrying Amount as at Mar 31, 2022 (E-F)	**126.76**	**64.80**	**191.57**

Note:

The Company's investment properties consist of two properties land with civil structure thereon and one freehold land, in India. The fair value of these properties are based on valuations performed by independent valuers for the purposes of bank financing at the time availing/renewing such financing facility. The fair value hierarchy is at level 2, which is derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data (refer note 49(a)(iii) for note on fair value hierarchy).

Fair value of the investment properties	
March 31, 2020	281.53
March 31, 2021	296.29
March 31, 2022	275.50

Description of Asset	Software	Total
Gross Carrying Amount		
As at 1 Apr, 2019 Additions	4.56	4.56
Disposals/adjustments	-	-
Closing Gross Carrying Amount (A)	-	-
	4.56	4.56
Accumulated Depreciation		
Opening accumulated depreciation	0.80	0.80
Depreciation charge for the year	0.80	0.80
Disposals/adjustments	-	-
Closing accumulated depreciation as at Mar 31, 2020 (B)	1.60	1.60
Net Carrying Amount as at Mar 31, 2020 (A-B)	**2.96**	**2.96**
Gross Carrying Amount		
As at 1 Apr, 2020	4.56	4.56
Additions	0.10	0.10
Disposals/adjustments	-	-
Closing Gross Carrying Amount (C)		
	4.66	4.66
Accumulated Depreciation		
Opening accumulated depreciation	1.60	1.60
Depreciation charge for the year	0.77	0.77
Disposals/adjustments	-	-
Closing accumulated depreciation as at Mar 31, 2021 (D)	2.37	2.37
Net Carrying Amount as at Mar 31, 2021 (C-D)	**2.29**	**2.29**
Gross Carrying Amount		
As at 1 Apr, 2021	4.66	4.66
Additions	-	-
Disposals/adjustments	-	-
Closing Gross Carrying Amount (E)	4.66	4.66
Accumulated Depreciation		
Opening accumulated depreciation	2.37	2.37
Depreciation charge for the year	0.42	0.42
Disposals/adjustments	-	-
Closing Accumulated Depreciation as at Mar 31, 2022 (F)	2.79	2.79
Net Carrying Amount as at Mar 31, 2022 (E-F)	**1.87**	**1.87**

NOTES TO RESTATED FINANCIAL INFORMATION

(All amounts are in ₹ million, except otherwise stated)

Note No. 6
Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being 01-Apr-2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has used simplified transition approach under Ind AS 116.

(a) Right-of-use assets

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
Opening Balance	234.69	471.16	-
Add: Addition during the year	-	-	508.08
Less: Impact on lease termination	-	(209.04)	-
Less: Impact on lease modification	-	-	(0.32)
Less: Amortised during the year	(18.30)	(27.44)	(36.59)
Total	**216.39**	**234.69**	**471.16**

(b) Lease liabilities

The following is the movement in lease liabilities

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
Opening Balance	255.77	481.33	-
Additions	-	-	485.54
Deletions	-	(226.07)	(5.37)
Interest	28.06	40.56	53.44
Lease payments	(29.72)	(40.05)	(52.28)
Closing balance	**254.11**	**255.77**	**481.33**
Non-current lease liabilities	223.15	226.05	441.28
Current lease liabilities	30.96	29.72	40.05

Notes to restated financial information

(All amounts are in ₹ million, except

Note No. 7 – Other financial assets

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Rental deposits - at amortised cost	13.23	20.22	24.82
(b) Bank deposits with more than 12 months maturity*	29.29	19.71	5.00
Total	**42.52**	**39.93**	**29.82**

*The bank deposit(s) are subject to lien ₹ 29.18 million (March 31, 2021 - ₹ 19.71 million and March 31, 2020 - ₹ 5.00million)

Note No. 8 Other non-current assets

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Advances for purchase of property, plant and equipment	0.76	1.03	1.04
(b) Balance with govt. authorities	5.63	6.28	5.47
(c) Other Deposits	0.29	0.30	0.31
Total	**6.68**	**7.60**	**6.82**

Note No. 9 Inventories

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Raw material	166.74	63.39	43.19
(b) Work-in-progress	1,146.78	912.07	876.78
(c) Stock in trade	2,725.10	2,461.28	3,023.84
(d) Finished goods	3,625.08	2,967.79	2,379.62
(e) Packing material and others	7.80	7.19	7.74
Total	**7,671.50**	**6,411.74**	**6,331.18**

Cost of inventories hypothecated as security against bank borrowings, details of which have been disclosed in Note 43. For mode of valuation of inventories refer Note 2(o) of Accounting Policies. Also Identification of a specific item and determination of estimated net realisable value involve technical judgments of the management, which has been reliedupon by the auditors.

Note No. 10 Trade receivables

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Considered good - Unsecured	200.21	197.63	77.61
(b) Trade Receivables – Credit impaired	3.54	-	-
(c) (Less): Expected credit loss	(3.54)	-	-
Total	**200.21**	**197.63**	**77.61**

Trade receivables are hypothecated as Security for part of Cash Credit facilities (refer note 43) and ageing of trade receivables is provided in Note 40.

The Company generally operates on a cash and carry model, and hence the expected credit loss allowance for trade receivables is insignificant. The concentration of credit risk is also limited due to the fact that the customer base is largeand unrelated.

Notes to restated financial information
(All amounts are in ₹ million, except otherwise stated)

Note No. 11 – Cash and Cash Equivalents

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Balance with banks			
-In Current Accounts	48.77	192.76	172.22
(b) Cash on hand	6.71	19.10	7.83
(c) Others - Credit card receivable	8.45	5.33	0.48
(d) Others - In Travel cards	-	0.03	0.03
Total	**63.92**	**217.23**	**180.56**

Note No. 12 Bank balances other than cash and cash equivalents

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Fixed deposits held as margin money against borrowings and guarantees (maturity of less than 12 months from the balancesheet date)^	20.03	22.89	48.38
(b) Balances with banks held as margin money	2.48	8.35	15.07
Total	**22.51**	**31.24**	**63.45**

^ Other bank deposits represents, fixed deposit with banks with original maturity of more than 3 months but less than 12 months and also the bank deposit(s) are subject to lien ₹ 19.91 million (March 31, 2021 - ₹ 22.78 million and March 31, 2020 - ₹ 48.38 million)

NOTE NO. 13 LOANS

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Employee loans - at amortised cost	1.70	2.94	1.84
Total	**1.70**	**2.94**	**1.84**

Break-up of security details

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
Loans considered good – unsecured	1.70	2.94	1.84
Total	**1.70**	**2.94**	**1.84**

NOTE NO. 14 OTHER FINANCIAL ASSETS

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Rental deposits - at amortised cost	0.54	1.62	1.89
(b) Interest accrued	1.34	1.23	1.72
(c) Other Receivables	-	7.15	9.02
Total	**1.88**	**10.00**	**12.63**

Note No. 15 Other current assets

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Advances other than capital advances			
(i) Advance for Suppliers	13.29	34.69	36.42
(b) Others			
(i) Balances with statutory authorities	32.68	69.32	56.98
(ii) Prepaid Expenses #	14.22	4.98	5.72
Total	**60.19**	**109.00**	**99.12**

includes an amount of ₹ 7.97 million (₹ Nil for all other previous years) incurred towards proposed IPO and the same be adjusted against Securities Premium.

NOTE 16. - Equity Share Capital

(i) Authorised equity share capital

Particulars	Number of Shares	Amount
As at 31st Mar, 2019	1,00,00,000	100.00
Movement during the year	-	-
As at 31st Mar, 2020	1,00,00,000	100.00
Movement during the year	-	-
As at 31st Mar, 2021	1,00,00,000	100.00
Movement during the year	-	-
As at 31st Mar, 2022	1,00,00,000	100.00

(II) MOVEMENT IN PAID-UP EQUITY SHARE CAPITAL

Particulars	Number of Shares	Amount
As at 31st Mar, 2019	97,70,000	97.70
Movement during the year	-	-
As at 31st Mar, 2020	97,70,000	97.70
Movement during the year	-	-
As at 31st Mar, 2021	97,70,000	97.70
Movement during the year	-	-
As at 31st Mar, 2022	97,70,000	97.70

Terms and Rights attached to Equity Shares

The Company has one class of equity shares having a par value of ₹ 10 each (Previous Years: ₹ 10 each). Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(III) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

For the year(s) ended March 31, 2022, 2021 and 2020

Name of the Shareholder	Number of shares	% holding
1. Grandhi Bharata Mallika Ratna Kumari (HUF)#	73,37,600	75.10
2. GBM Ratna Kumari	13,38,000	13.69
3. Harshil Enterprises (India) Private Limited	10,64,400	10.89

(iv) Shares held by promoters at the end of the year(s) ended March 31, 2022, 2021 and 2020

Name of the Promoter	Number of shares	% holding	% Change during theyear
1. Grandhi Bharata Mallika Ratna Kumari (HUF)#	73,37,600	75.10	Nil
2. GBM Ratna Kumari	13,38,000	13.70	Nil
3. G. Sai Keerthana	10,000	0.10	Nil

 # (Formerly known as G. Manoj Kumar (HUF))

(v) Aggregate number and class of shares allotted as fully paid up for consideration other than cash, bonus, buy back for the period of 5 years immediately preceding the Balance Sheet date - Nil

Note. 17 – Other Equity

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Securities premium (refer movement below)	280.25	280.25	280.25
(b) Retained Earnings including OCI(refer movement below)	2,350.64	1,911.91	1,702.85
Total	**2,630.89**	**2,192.16**	**1,983.10**

(I) SECURITIES PREMIUM

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Opening Balance	280.25	280.25	280.25
(b) Additions	-	-	-
(c) Closing Balance	**280.25**	**280.25**	**280.25**

(ii) Retained Earnings

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Opening Balance	1,911.91	1,702.85	1,460.90
(b) Net profit for the year	436.79	207.37	243.86
	2,348.71	1,910.21	1,704.77
(c) OCI on Gratuity and Leave Encashment	2.59	2.27	(2.57)
(d) Deferred Tax on OCI portion	(0.65)	(0.57)	0.65
(e) Closing balance	**2,350.64**	**1,911.91**	**1,702.85**

NOTE NO. 18 FINANCIAL LIABILITIES NON-CURRENT BORROWINGS

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
Secured - Long Term Loans from banks			
(a) Term loans from banks *	590.26	688.58	-
(b) Vehicle loans from banks #	-	1.11	1.68
Unsecured loan			
Loan taken from related party @	450.00	450.00	450.00
Total	**1,040.26**	**1,139.69**	**451.68**

* Term Loans from Banks are secured by first charge on fixed assets of the company both present and future (For details Refer Note No 43)

Vehicles loans are secured by hypothecation of vehicles financed by respective banks. (For details Refer Note No 43) @ The amount pertains to interest free loan taken from "Grandhi Bharata Mallika Ratna Kumari (HUF)" and there are no specific terms and conditions with regards to repayment. The amount has been brought in by the shareholder to adhere to the covenant for the sanction of Working capital loan taken from State Bank of India.

NOTE NO. 19 NON-CURRENT OTHER FINANCIAL LIABILITIES

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Security deposits - at amortised cost	2.12	1.81	1.62
Total	**2.12**	**1.81**	**1.62**

Note No. 20 Provisions

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Provision for employee benefits (refer note 45)	34.95	33.36	32.13
Total	**34.95**	**33.36**	**32.13**

NOTES TO RESTATED FINANCIAL INFORMATION

(All amounts are in ₹ million, except otherwise stated)

NOTE NO. 21 DEFERRED TAX LIABILITIES (NET)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
The balance comprises temporary differences attributable to:			
Deferred tax liabilities - Opening	(11.33)	(8.04)	5.95
Impact in the current year	(9.40)	(3.29)	(13.99)
Total	**(20.73)**	**(11.33)**	**(8.04)**

As at Mar 31, 2022

Particulars	Opening balance April 01, 2021	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	7.25	(4.80)	-	2.45
Other Adjustments	(18.58)	(5.25)	0.65	(23.18)
Total	**(11.33)**	**(10.06)**	**0.65**	**(20.73)**

AS AT MAR 31, 2021

Particulars	Opening balance April 01, 2020	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	10.39	(3.14)	-	7.25
Other temporary differences	(18.43)	(0.72)	0.57	(18.58)
Total	**(8.04)**	**(3.86)**	**0.57**	**(11.33)**

As at Mar 31, 2020

Particulars	Opening balance April 01, 2019	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	16.11	(5.72)	-	10.39
Other temporary differences	(10.16)	(7.63)	(0.65)	(18.43)
Total	**5.95**	**(13.34)**	**(0.65)**	**(8.04)**

NOTE NO. 22 FINANCIAL LIABILITIES CURRENT BORROWINGS

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
Secured			
(a) Loans repayable on demand from banks (refer note 43)	3,562.74	3,376.44	3,588.66
(b) Current maturities for long term debt	174.34	117.65	-
(c) Current maturities of vehicle loans	-	0.56	1.65
(d) Gold Metal Loans from banks (refer note 43)	-	-	151.21
Total	**3,737.09**	**3,494.65**	**3,741.51**

Notes to restated financial information

(All amounts are in ₹ million, except otherwise stated)

NOTE NO. 23 TRADE PAYABLES

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
Trade Payables to third parties			
- Due to micro, small and medium enterprises	40.63	-	-
- Others	845.42	588.82	1,005.95
Total	**886.05**	**588.82**	**1,005.95**

***Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Principal amount remaining unpaid to any supplier as at year end	40.63	-	-
(b) Interest due on above and remaining unpaid as at year end	-	-	-
(c) Principal/interest amount paid beyond the appointed day during the year	11.29	-	-
(d) Interest paid on payments made beyond the appointed day during the year u/s 16 of MSMED Act,2006	0.57	-	-
(e) Interest due and Payable on payments made beyond the appointed day during the year otherthan MSMED Act, 2006	-	-	-
(f) Interest remaining due and payable for the period of delay in earlier years	-	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

NOTE NO. 24 OTHER FINANCIAL LIABILITIES

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Interest accrued on loans	6.51	5.06	10.60
(b) Deferred rental income	4.65	5.04	5.42
(c) Due to related parties	2.53	1.08	1.65
(d) Other financial current liabilities	2.05	0.64	0.58
Total	**15.73**	**11.82**	**18.25**

Note No. 25 Other current liabilities

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Advances from Customers (refer note 47)	190.33	118.79	205.62
(b) Creditors for expenses	68.59	61.88	125.74
(c) Statutory dues payable	14.47	27.61	15.60
(d) Capital creditors	0.75	0.87	3.55
Total	**274.13**	**209.14**	**350.51**

NOTE NO. 26 PROVISIONS

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Provision for employee benefits (refer note 45)	8.64	7.94	5.74
Total	**8.64**	**7.94**	**5.74**

NOTES TO RESTATED FINANCIAL INFORMATION

(All amounts are in ₹ million, except otherwise stated)

Note No. 27 Current tax liabilities (Net)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
Current tax assets	-	(1.86)	(13.32)
Current tax liabilities	13.65	-	30.02
Total	**13.65**	**(1.86)**	**16.70**

NOTE NO. 28 REVENUE FROM OPERATIONS

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Retail sales			
(i) Gold Ornaments	13,222.42	11,657.09	11,336.08
(ii) Gold (Exchange Gold) #	1,938.91	1,529.57	-
(iii) Silver Articles	678.89	454.11	453.38
(iv) Platinum Ornaments	9.96	8.91	9.94
(v) Diamond	650.40	408.11	606.93
(vi) Stones	433.61	269.95	357.35
(vii) Others	4.99	7.94	27.61
Total	**16,939.19**	**14,335.69**	**12,791.30**

On April 01, 2018 the Company adopted Ind AS 115 "Revenue from Contracts with Customers". Refer note 2(e) for the accounting policies followed pursuant to adoption of Ind AS 115. The adoption of Ind AS 115 did not have any material impact.

During the year, old gold ornaments received from the customers on exchange basis are sent for refining purpose onsales/purchases mode.

NOTE NO. 29 OTHER INCOME

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
(a) Interest Income			
(i) On bank deposits	2.12	2.22	17.19
(ii) Others	1.11	1.69	1.51
(b) Liability written back @	-	26.03	5.37
(c) Net gain on foreign currency transactions and translations	0.12	31.13	-
(d) Other non-operating Income			
(i) Rental Income	20.65	14.48	27.50
(ii) Lease rental concessions	-	5.40	-
(iii) Others	13.79	15.14	0.12
Total	**37.80**	**96.09**	**51.69**

(@) pertains to write back of lease liability on account of lease cancellation/modification.

NOTE NO. 30 (A) COST OF RAW MATERIAL CONSUMED

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
(i) Opening stock of raw material	63.39	43.19	80.84
(ii) Add: Purchases of raw material	9,869.43	8,167.54	5,919.02
(iii) Less: Closing stock of raw material	(166.74)	(63.39)	(43.19)
Total (a)	**9,766.08**	**8,147.34**	**5,956.67**

Note No. 30 (b) Purchases of stock-in-trade

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020

Retail Purchases			
(i) Gold Ornaments	5,037.20	4,020.58	5,220.06
(ii) Silver Articles	564.53	331.45	372.26
(iii) Platinum Ornaments	8.87	5.11	6.62
(iv) Diamond	489.65	216.75	425.80
(v) Stones	147.55	73.38	104.55
(vi) Others	3.74	1.35	3.73
Total (b)	**6,251.53**	**4,648.62**	**6,133.01**
Total ((a) + (b))	**16,017.61**	**12,795.96**	**12,089.68**

(All amounts are in ₹ million, except otherwise stated)

NOTE NO. 31 CHANGES IN INVENTORIES

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
(a) Stock at the end of the year			
(i) Work in progress	1,146.78	912.07	876.78
(ii) Stock in trade	2,725.10	2,461.28	3,023.84
(iii) Finished goods	3,625.08	2,967.79	2,379.62
(b) Stock at the beginning of the year			
(i) Work in progress	912.07	876.78	784.83
(ii) Stock in trade	2,461.28	3,023.84	2,813.85
(iii) Finished goods	2,967.79	2,379.62	1,467.41
Total changes in inventories	**(1,155.81)**	**(60.91)**	**(1,214.15)**

Note No. 32 Employee benefits expense

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
(a) Salaries and Wages	303.82	230.45	337.09
(b) Director's remuneration	22.59	16.43	21.51
(c) Contribution to Provident Fund & ESI (refer note 45)	13.61	12.02	15.60
(d) Staff Welfare Expenses	9.20	12.92	20.04
(e) Gratuity (refer note 45)	6.95	7.09	6.89
Total	**356.17**	**278.91**	**401.13**

NOTE NO. 33 FINANCE COSTS

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
(a) Interest on Term Loans	49.79	6.63	0.15
(b) Interest on vehicle loans	0.08	0.21	0.49
(c) Interest on Working Capital Loans	319.98	363.36	365.26
(d) Interest unwinding on rental deposits	0.21	0.19	0.17
(e) Interest on lease rental discounting (refer note 37)	28.06	40.56	53.44
(f) Interest on Others	5.87	4.68	18.42
Other Borrowing Costs			
(a) Loan Processing & Renewal Charges	12.35	9.72	13.39
Total	**416.33**	**425.34**	**451.31**

Notes to restated financial information

(All amounts are in ₹ million, except otherwise stated)

Note No. 34 Depreciation and amortization expense

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
(a) Depreciation of Property, Plant and Equipment (refer note 3)	66.71	67.20	68.57
(b) Amortisation of Intangible Assets (refer note 5)	0.42	0.77	0.80
(c) Depreciation of Investment properties (refer note 4)	1.51	1.71	1.72
(d) Amortisation of right-of-use assets (refer note 6)	18.30	18.30	18.32
Total	**86.94**	**87.98**	**89.41**

Note No. 35 Other expenses

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
(a) Job work charges	335.21	252.65	261.07
(b) Freight and forwarding charges	10.75	7.94	10.21
(c) Electricity expenses	15.87	17.18	24.21
(d) Rent (refer note 37)	20.43	3.61	21.90
(e) Repairs and maintenance			
(i) Building	0.42	2.08	2.96
(ii) Plant and equipment	12.07	8.46	8.57
(iii) Computers	4.43	5.89	3.83
(f) Insurance	8.08	7.14	6.86
(g) Rates and Taxes	12.69	7.45	7.85
(h) Telephone expenses	1.69	1.67	1.74
(i) Travelling expenses	10.66	16.68	21.58
(j) Conveyance	4.20	8.57	9.78
(k) Legal and Professional charges	17.67	10.25	17.73
(l) Remuneration to auditor			
for audit services	1.33	0.15	0.15
for taxation matters	0.20	-	-
(m)Printing & Stationery	4.96	5.25	6.37
(n) Postage & Courier Charges	0.11	0.04	0.06
(o) Books & Periodicals	0.81	0.42	0.41
(p) Charities & Donations	0.16	0.07	0.10
(q) Loss on sales of assets (including right to use)	-	-	1.64
(r) CSR Expenses*	2.31	1.22	2.65
(s) Loss on foreign currency transactions and translations (net)	-	-	50.76
(t) Advertisement Expenses	59.94	33.43	80.72
(u) Discount allowed	46.37	28.15	31.73
(v) Other Selling and Distribution Expenses	26.71	38.57	50.64
(w) Provision for doubtful trade receivables	3.54	-	-
(x) Bank Charges	7.19	3.80	10.80
(y) Credit Card Service Charges	24.71	17.16	21.49
(z) Security Services	11.08	10.41	12.58
(aa) House Keeping expenses	6.52	8.25	9.91
(ab) Miscellaneous expenses	21.53	17.37	14.63
Total	**671.64**	**513.88**	**692.96**

*Disclosures in relation to corporate social responsibility expenditure

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Gross amount required to be spent as per Section 135 of the Act	7.48	7.53	6.58
Amount spent during the year on	2.31	1.22	2.65
(i) Construction/acquisition of an asset	-	-	-
(ii) On purposes other than (i) above	2.31	1.22	2.65
Amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	5.17	6.31	3.93
Reason for shortfall	Note 1	Note 1	Note 2

1. The unspent amount for the FY 2021-22 and FY 2020-21 was earmarked and is spent in the subsequent years as per the timelines of the respective ongoing projects
2. The Company was in the process of identifying new processes/areas to allocate the unspent CSR expenditure

NOTE NO. 36

Earnings per equity share

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Profit for the year	436.79	207.37	243.86
Add / Less: Dividend tax	-	-	-
Profit after tax attributable for equity share holders	436.79	207.37	243.86
Number of equity shares (nos.)Add:	97,70,000	97,70,000	97,70,000
Bonus shares issued #	2,93,10,000	2,93,10,000	2,93,10,000
Number of equity shares (nos.) after bonus	3,90,80,000	3,90,80,000	3,90,80,000
Weighted average number of equity shares (nos.)	3,90,80,000	3,90,80,000	3,90,80,000
Face value of equity share (in ₹) Earnings per share (Pre-Bonus) (in ₹)	10	10	10
Basic	44.71	21.22	24.96
Diluted	44.71	21.22	24.96
Earnings per share (Post-Bonus) (in ₹)			
Basic	11.18	5.31	6.24
Diluted	11.18	5.31	6.24

The Company has allotted on August 12, 2022 3 (three) fully paid bonus equity shares of ₹10 each for every 1 (one) equity share to the shareholders, as per the shareholders resolution on August 10, 2022

NOTE NO. 37

Right-of-use assets and Lease liabilities

(I) AMOUNTS RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

The statement of profit or loss shows the following amounts relating to leases

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Depreciation charge of right-of-use assets (refer note 34)	18.30	18.30	18.32
Interest expense (included in finance costs) (refer note 33)	28.06	40.56	53.44
Expense relating to short-term leases (refer note 35)	20.43	3.61	21.90

(ii) Contractual maturities of lease liabilities excluding interest thereon on an undiscounted basis

Particulars	Less than 1 year	1-5 years	More than 5 years
Balance as at			
March 31, 2020	40.05	164.14	387.32
March 31, 2021	29.72	172.74	349.00
March 31, 2022	30.96	178.01	312.76

(III) EXTENSION AND TERMINATION OPTIONS

Extension and termination options are included in a number of property and equipment leases across the company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of termination options held are exercisable only by the Company and not by the respective lessor. In case the company wishes to extend the lease, the same can be doneon mutually agreeable basis with the lessor.

CRITICAL JUDGEMENTS IN DETERMINING THE LEASE TERM

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Also the company has used the discounting rate as 10% (the borrowing rate from the banks) for the purpose of arriving at present value.

For leases of retail stores, the following factors are normally the most relevant

(a) If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).
(b) Most extension options in retail leases have been included in the lease liability, because the company only has the right to extend the lease (only with the approval of the lessor) and has incurred lease hold improvements in them.

(c) 'The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(d) If there are significant penalty payments to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate).

NOTE NO. 38

Amounts recognised in profit or loss for investment properties

Assets given on lease

a) The Company enters into cancellable/non-cancellable operating lease arrangements for it's commercial building premises. There are no minimum lease payments receivable basis the agreement.The details are as follows:

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Rental income from operating leases	20.65	14.48	27.50
Depreciation	(1.51)	(1.71)	(1.72)
Profit from investment properties	**19.15**	**12.77**	**25.78**

NOTE NO. 39

Contingent liabilities and commitments

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Contingent liabilities Income tax (AY 2013-14) $	69.91	-	-
Service Tax*			
From 01.06.07 to 31.03.10	-	-	2.61
Civil suit #	8.85	-	-
Total (a)	78.76	-	2.61

$ Due to untimely demise of Sri Mr. Manoj Kumar Grandhi, who was the Karta of our promoter Manoj Kumar Grandhi (HUF) (now Grandhi Bharata Mallika Ratna Kumari (HUF)) ("HUF"), the bank account of the HUF had to be closed and operations of the HUF inevitably stopped. Due to the same, the cash collections in the HUF was stopped, and thereafter deposited in the bank account of our Company as a temporary safety measure, and necessary accounting was carried out in the HUF including transfer entries. The Deputy Commissioner of Income Tax ("Appellant") passed an order against our Company for recovery of ₹ 69.91 million under Section 271D Income Tax Act, 1961 ("Act") towards alleged violation of Section 269SS of the Act for the Assessment Year 2013-14. The Appellant order was dismissed at The Commissioner of Income Tax (Appeals) on February 25, 2019 and also at Income Tax Appellate Tribunal (ITAT) on November 23, 2020. The Department filed an appeal against the same in the High Court of Andhra Pradesh, principal bench on April 1, 2021. The case is under admission level at High court.

* The above matter relating to imposition of penalty U/s.78 of Finance Act, 1994 was pending before

Hon'ble CESTAT, Bangalore. The case is squashed in favour of the Company under Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019.

The Company had entered into term sheet to take premises, on leases basis, of M/s Hotel Jyothi Swaroopa, a registered partnership firm (“Complainant”) on September 5, 2011 and paid ₹ 1.10 million as advance. However, before reducing the terms into agreement and execution thereof, the Company had decided not to be party with the agreement being the failure of the Complainant to satisfactorily prove the property ownership title. Aggrived by this, the Complainant filed a petition dated July 4, 2014 before the IInd Additional District Court at Visakhapatnam. Our Company has, on December 1, 2014 filed a counter claim petition against the Complainant for recovery of the advance paid by our Company to the Complainant, with an interest of 24% per annum, amounting to ₹ 1.87 million.

CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(b) Commitments			
(i) Estimated amount of contracts remaining to be executed on capital account (net of capital advances)	2.32	1.04	4.87
(ii) Estimated amount of contracts remaining to be executed on account of other purchase commitments	-	-	-
Net Capital Commitments - Total (b)	2.32	1.04	4.87
Total (a) + (b)	**81.08**	**1.04**	**7.48**

Note No. 40 Trade Receivables Ageing Schedule

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(i) Undisputed Trade receivables – considered good			
Less than 6 Months	198.80	196.40	69.62
6 Months - 1 Year	1.40	-	2.16
1-2 Years	-	0.01	4.53
2-3 Years	-	-	0.08
More than 3 Years	-	1.23	1.23
(ii) Undisputed Trade Receivables – credit impaired	3.54	-	-
(Less): Expected credit loss	(3.54)	-	-
Total	**200.21**	**197.63**	**77.61**

NOTE NO. 41 TRADE PAYABLES AGEING SCHEDULE

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(i) MSME			
Less than 1 year	40.63	-	-
(ii) Others			
Less than 1 year	845.21	588.28	1,005.88
1-2 years	0.21	0.54	0.07
Total	**886.05**	**588.82**	**1,005.95**

Note No. 42 Capital Work In Progress ageing schedule

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
Projects in progress			
Less than 1 year1-	18.95	5.28	52.45
2 years	1.22	21.97	83.30
2-3 years	7.70	33.13	29.69
More than 3 years	2.32	5.37	0.17
Total	**30.19**	**65.76**	**165.62**

Note No. 43

(a) Nature of security for short-term bank borrowings

Particulars	SBI/ UBI/ Axis/ HDFC/ Canara/ Federal
Primary Security	**For the year ended March 31, 2022, 2021 and 2020** Pari-passu first charge on current assets of the company, both present and future, along with other working capital lenders.
Collateral Security	**A. Pari passu 1st charge by way of** **For the year ended March 31, 2022, 2021 and 2020** 1. Shop Nos. A-1,A3 and A-17 at D.No. 47-15-7 Visakhapatnam standing in the names of the Company/Legal heirs ofLate Sri. G. Manoj Kumar (total undivided land to the extent of 35 Sq. yards) 2. House site at D No.7-6-12, Plot No. 15, at Visakhapatnam belonging to Mrs. GBM Ratna Kumari, CMD (admeasuring444 Sq. yards) 3. Plot No. C-536 at Visakhapatnam belonging to standing in the names of legal heirs of Late G. Manoj Kumar (admeasuring 605.68 Sq. yards) 4. Open land at Amalapuram belonging to standing in the names of Mrs. GBM Ratna Kumari, CMD and Ms. G. Sai Keerthana, Director (admeasuring 13,421.61 Sq. yards and 13,474.64 Sq. yards) 5. V-Square land admeasuring 2866.25 sq. yards. and buildings there on located at D.No.47-15-8,9,9/1, Visakhapatnam 6. Corporate Office land adm.893.80 sq. yards. and buildings thereon located at D.No.47-10-19, Visakhapatnam 7. All fixed assets of the Company 8. Land admeasuring 2,501.66 Sq. Yards, covered by S.No 355/6C situated at Madhurawada, Visakhapatnam standing inthe name of the Company **B. Pledge** **For the year ended March 31, 2022** 1. TDRs with SBI totaling to ₹ 37.99 Million on pari passu basis 2. The Company has placed an FDR of ₹ 9.80 Million, for release of shares pledged. 3. Pledge of shares of the Company to the extent of 20% of the paid up share capital and released on 30th May, 2022 onplacing of FDR. **For the year ended March 31, 2021** 1. TDRs with SBI totaling to ₹ 36.18 Million on pari passu basis **For the year ended March 31, 2020** 1. TDRs with SBI totaling to ₹ 34.14 Million on pari passu basis **For the year ended March 31, 2021 and 2020** 1. Pledge of shares of the Company to the extent of 20% of the paid up share capital

For the years ended March 31, 2022, 2021 and 2020

Personal guarantee	Mrs. GBM Ratna Kumari Mrs. G. Sai Sindhuri Mrs. G. Sai Keerthana Ms. GDKS Sarayu	Owners of Collateral Securities
Terms of Payment	Repayable on demand	
Interest rate	**On Cash credit** 6.75% to 9.9% p.a. - For the year ended Mar 31, 2022 8.95% to 11.8% p.a.- For the year ended Mar 31, 2021 10.1% to 10.95% p.a. - For the year ended Mar 31, 2020	

(b) Nature of Security and terms of repayment for term loans from banks:

For the year ended March 31, 2022
Nature of Security and terms of repayment for GECL/CECL loans from banks:

Bank	Terms of Payment	Int. Rate
Federal Bank ^^	Repayable in 48 monthly of ₹ 10,12,500/-each commencing from April 2022. Balance No. of Installments -48	6.75%
HDFC Bank @	Repayable in 47 monthly of ₹ 87,65,957/-each commencing from April 2022. Balance No. of Installments -47	6.75%
HDFC Bank @	Repayable in 48 monthly of ₹41,25,000/-each commencing from April 2022. Balance No. of Installments -48	6.75%
HDFC Bank @	Repayable in 48 monthly of ₹6,25,000/-each commencing from April 2022. Balance No. of Installments -48	6.75%
Union Bank ^^	Repayable in 48 monthly of ₹15,83,333./-each commencing from March 2024. Balance No. of Installments -48	7.85%

^^ GECL loan is secured with second charge on all primary and collateral securities available for existing facilities

@ GECL Loan is secured with extension of second ranking charge over existing primary and collateral securities including mortgage created in favour of Bank

For the year ended March 31, 2021

Nature of Security and terms of repayment for GECL/CECL loans from banks:

Bank	Terms of Payment	Int. Rate
SBI ^	Repayable in 18 monthly of ₹ 78,00,000/- each commencing from September 2020. Balance No. of Installments -11	6.95%
Federal Bank @	Repayable in 48 monthly of ₹ 10,12,500/- each commencing from April 2022. Balance No. of Installments -48	6.75%
HDFC Bank @	Repayable in 48 monthly of ₹ 68,66,667/- each commencing from April 2022. Balance No. of Installments -48	6.75%
HDFC Bank @	Repayable in 48 monthly of ₹ 33,00,000/- each commencing from April 2022. Balance No. of Installments -48	6.75%
HDFC Bank @	Repayable in 48 monthly of ₹ 5,00,000/- each commencing from April 2022. Balance No. of Installments -48	6.75%
HDFC Bank #	Repayable in 06 monthly of ₹ 1,07,50,000/- each commencing from January 2021. Balance No. of Installments - 3	11.05%

^ CECL Loan is secured with extension of charges on the Primary and Collateral Security

@ GECL loans are secured by 100% Guarantee from National Credit Guarantee Trustee Company Limited (NCGTCL) and second charge on all primary and collateral securities available for the existing facilities

Loan is secured with security coverage of as per the Note 43(a)

Nature of Security and terms of repayment for vehicle loans from banks:

Bank	Primary Security	Terms of Payment	Int. Rate
HDFC Bank	Toyota Innova	Repayable in 84 monthly EMI of ₹ 24,072/- each commencing from November,2015. Balance No. of Installments -19	10.00%
HDFC Bank	Maruti Swift Dzire	Repayable in 60 monthly EMI of ₹ 14,753/- each commencing from October 2016. Balance No. of Installments -6	9.65%
Canara Bank	Tata Magic	Repayable in 84 monthly EMI of ₹ 8,743/- each commencing from October 2018. Balance No. of Installments -54	9.20%
Canara Bank	Tata Magic	Repayable in 84 monthly EMI of ₹ 8,743/- each commencing from October 2018. BalanceNo. of Installments -54	9.20%
Canara Bank	Tata Magic	Repayable in 84 monthly EMI of ₹ 8,743/- each commencing from October 2018. Balance No. of Installments -54	9.20%

For the year ended March 31, 2020

Nature of Security and terms of repayment for vehicle loans from banks:

Bank	Primary Security	Terms of Payment	Int. Rate
Axis Bank	Toyota Etios	Repayable in 60 monthly EMI of ₹ 16,042/- each commencing from November,2015. Balance No. of Installments - 7	10.00%
Axis Bank	Toyota Innova	Repayable in 60 monthly EMI of ₹ 28,684/- each commencing from November,2015. Balance No. of Installments - 7	10.00%
HDFC Bank	Toyota Etios	Repayable in 60 monthly EMI of ₹ 16,505/- each commencing from April ,2016. BalanceNo. of Installments -12	9.90%
HDFC Bank	Toyota Innova	Repayable in 84 monthly EMI of ₹ 24,072/- each commencing from November,2015. Balance No. of Installments -31	10.00%
State Bank of India	Maruti Swift Dzire	Repayable in 84 monthly EMI of ₹ 11,095/- each commencing from August 2014. BalanceNo. of Installments -8	11.05%

State Bank of India	Toyota Innova GX	Repayable in 84 monthly EMI of ₹ 21,310./- each commencing from May 2014. BalanceNo. of Installments -4	11.05%
State Bank of India	Mahindra XUV	Repayable in 84 monthly EMI of ₹ 19,129/- each commencing from August 2014. BalanceNo. of Installments -10	11.05%
HDFC Bank	Maruthi Swift Dzire	Repayable in 60 monthly EMI of ₹ 14,753/- each commencing from October 2016. BalanceNo. of Installments -18	9.65%
Canara Bank	Tata Magic	Repayable in 84 monthly EMI of ₹ 8,743/- each commencing from October 2018. BalanceNo. of Installments -66	9.20%
Canara Bank	Tata Magic	Repayable in 84 monthly EMI of ₹ 8,743/- each commencing from October 2018. BalanceNo. of Installments -66	9.20%
Canara Bank	Tata Magic	Repayable in 84 monthly EMI of ₹ 8,743/- each commencing from October 2018. BalanceNo. of Installments -66	9.20%
HDFC Bank	Maruthi Swift Dzire	Repayable in 36 monthly EMI of ₹ 23,001/- each commencing from November,2017. Balance No. of Installments -7	8.50%
HDFC Bank	Toyota Etios	Repayable in 36 monthly EMI of ₹ 28,976/- each commencing from May,2017. BalanceNo. of Installments -1	8.50%
HDFC Bank	Toyota Etios	Repayable in 36 monthly EMI of ₹ 68,266./- each commencing from May,2017. BalanceNo. of Installments -1	8.50%

NOTE NO. 44

Reconciliation between the income tax expense and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Profit before tax-A	584.12	278.28	332.65
Tax rate - B	25.17%	25.17%	25.17%
Income tax expense - A*B	147.01	70.04	83.72
Tax effect of depreciation that is not deductible in determining taxable profit	4.09	3.92	2.74
Tax effect of expenses other than depreciation that are not deductible in determining taxable profit	(12.53)	(5.61)	(13.84)
Adjustments recognised in the current year in relation to prior years	0.00	(0.16)	1.54
Effect of Deffered Tax (refer note 21)	9.40	3.29	13.99
Income tax expense recognised in profit or loss	**147.98**	**71.48**	**88.14**

NOTE NO. 45

Employee benefits

(A) DEFINED CONTRIBUTION PLAN

The Company makes provident and pension fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes. Expenses recognized against defined contribution plans:

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Contributions to provident and pension funds	13.61	12.02	15.60

(B) DEFINED BENEFIT PLANS

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.

(C) OTHER DISCLOSURES OF DEFINED BENEFIT PLANS AS REQUIRED UNDER IND AS–19 ARE AS UNDER:

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Service Cost	4.66	4.83	4.83
Interest Cost	2.29	2.26	2.06
Components of defined benefit costs recognised in statement ofprofit or loss - **(A)**	6.95	7.09	6.89
Actuarial (gain) / loss on plan obligations	(2.59)	(2.27)	2.57
Difference between actual return and interest income on planassets - (gain) /loss	-	-	-
Components of defined benefit costs recognised in other comprehensive income - **(B)**	(2.59)	(2.27)	2.57
Total (A+B)	**4.37**	**4.81**	**9.45**

(d) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows:

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
Present value of defined benefit obligation	43.59	41.30	37.88
Less: Fair value of plan assets	-	-	-
Net liability recognised in the balance sheet	43.59	41.30	37.88
Current portion of the above (refer note 26)	8.64	7.94	5.74
Non-current portion of the above (refer note 20)	34.95	33.36	32.13

(E) MOVEMENT IN THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION ARE AS FOLLOWS

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
Present value of defined benefit obligation at the beginning of the year	41.30	37.88	29.31
Expenses Recognised in statement of Profit & Loss			
Service cost	4.66	4.83	4.83
Past service cost	-	-	-
Interest cost	2.29	2.26	2.06
Expenses Recognised in statement of OCI			
Actuarial (gain)/loss	(2.59)	(2.27)	2.57
Benefits paid by the company	(2.07)	(1.39)	(0.88)
Present value of the defined benefit obligation at the end of year	43.59	41.30	37.88

(f) Sensitivity analysis

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Present value of the defined benefit obligation at the end of year	43.59	41.30	37.88
Impact of the change in the discount rate			
Impact due to increase of 0.50%	42.60	40.32	36.78
Impact due to decrease of 0.50%	44.63	42.33	39.04
Impact of the change in the withdrawal rate			
Impact due to increase of 0.50%	43.55	42.24	37.80
Impact due to decrease of 0.50%	43.62	40.38	37.95
Impact of the change in the salary			
Impact due to increase of 0.50%	44.55	41.18	38.95
Impact due to decrease of 0.50%	42.67	41.43	36.86

(G) MATURITY PROFILE – EXPECTED FUTURE CASH FLOWS (UNDISCOUNTED)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
0 to 1 year	8.64	7.94	5.63
1 to 2 year	6.78	5.42	4.41
2 to 3 year	6.80	5.76	4.06
3 to 4 year	4.47	5.79	4.60
4 to 5 year	4.61	3.81	4.95
5 year onwards	15.67	15.37	15.30

(h) Actuarial assumptions

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Discount rate	6.10%	6.10%	6.45%
Salary escalation	6.50%	6.50%	6.50%
Withdrawal rate	15%	15%	12%
Method used	Project unit-credit method		

(i) The Indian Parliament has approved the Code on Social Security 2020, which would impact Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the Payment of Gratuity Act, 1972, etc. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The impact of the changes, will be assessed and recognized post notification of the relevant provision and related rules are published.

NOTE NO. 46 SEGMENT REPORTING

The Company is primarily engaged in the business of Jewellery, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting business segment.

There are no material individual markets outside India and hence the same is not disclosed for geographical segments for the segment revenues or results or assets.

Note No. 47

Related Party Disclosures

a) List of related parties

Index No	Nature of relationship	Name of the related party	
1	**Key Managerial Personnel (KMP)**	(a) Bharata Mallika Ratna Kumari Grandhi	Chairperson & Managing Director
		(b) G S V Amarendra	Director (till 30th August 2021)
		(c) Grandhi Sai Keerthana	Whole time Director
		(d) Satish Ramanujakoodam	Chief Executive Officer
		(e) Bhandari Shiva Krishna	Company Secretary
2	**Relative of KMP**	(a) Grandhi Sai Sindhuri	Director & Daughter of CMD
		(b) Grandhi Krishna Kumari	Mother in law of CMD
3	**Enterprises over which director is having significantinfluence**	(a) G B M Ratna Kumari (HUF) formerly known as G Manoj Kumar (HUF)	
		(b) Manoj Vaibhav Jewellers Private Limited	
		(c) Harshil Enterprises (India) Private Limited	
		(d) Vaibhav Hotels & Leisures (Visakhapatnam) Private Limited	
		(e) Vaibhav Jewellers Private Limited	

(b) Transactions with related parties are set out in the table below

Particulars	For the Year ended Mar 31, 2022	For the Year ended Mar31, 2021	For the Year ended Mar31, 2020
(i) Sale of Jewellery			
(a) G B M Ratna Kumari (HUF)	2,482.31	3,059.63	2,715.44
(b) Manoj Vaibhav Jewellers Private Limited	0.66	0.70	2.02
(c) Vaibhav Jewellers Private Limited	6.83	3.61	1.61
(ii) Purchase of Jewellery			
(a) G B M Ratna Kumari (HUF)	-	201.24	30.36
(b) Vaibhav Jewellers Private Limited	1.32	0.17	-
(iii) Purchase of others			
(a) G B M Ratna Kumari (HUF)	1.86	-	-
(b) Manoj Vaibhav Jewellers Private Limited	1.20	-	-
(iv) Remuneration			
(a) Bharata Mallika Ratna Kumari Grandhi	18.43	13.63	17.63
(b) Grandhi Sai Keerthana	2.65	1.76	2.43
(c) Grandhi Sai Sindhuri	1.51	1.05	1.45
(d) Satish Ramanujakoodam	11.02	7.97	11.02
(e) Bandari Shiva Krishna	1.17	0.79	1.12
(v) Rental expenses			
(a) Grandhi Krishna Kumari	0.87	0.79	0.79
(b) G B M Ratna Kumari (HUF)	-	0.40	0.40
(vi) Rental Income			
(a) G B M Ratna Kumari (HUF)	0.79	0.46	0.78
(b) Vaibhav Hotels & leisures (Visakhapatnam) Private Limited	-	-	7.05
(vii) Reimbursement of expenses			
(a) Vaibhav Hotels & Leisures (Visakhapatnam) Private Limited	-	-	0.14
(b) G B M Ratna Kumari (HUF)	0.52	0.36	0.28
(viii) Royalty			
(a) G B M Ratna Kumari (HUF)	0.12	0.12	0.12

c. Related party balances: payable/(receivable)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
Bharata Mallika Ratna Kumari Grandhi	1.55	0.66	1.15
Grandhi Sai Keerthana	0.41	0.18	0.02
Satish Ramanujakoodam	0.25	0.03	0.29
Grandhi Sai Sindhuri	0.17	0.11	0.05
Bandari Shiva Krishna	0.14	0.11	0.13
Grandhi Krishna Kumari	-	-	0.06
G B M Ratna Kumari (HUF)			
- Unsecured loan	450.00	450.00	450.00
- Advances from customers	85.51	-	-
Vaibhav Hotels & Leisures (Visakhapatnam) Private Limited	-	(7.14)	(7.14)

NOTE NO. 48

Capital and Financial risk management objectives and policies

(a) Risk management framework

Company is being driven by the market forces, its businesses are subject to several risks and uncertainties including financial risks. The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to, in the course of their daily operations.

The risk management policies cover areas around all identified business risks including commodity price risk, foreign exchange risk etc., Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company has in place risk management processes in line with the Company's policy. Each significant risk has an owner, who coordinates the risk management process.

The risk management framework aims to:

- Better understand our risk profile;
- Understand and better manage the uncertainties which impact our performance;
- Contribute to safeguarding Company value and interest of various stakeholders;
- Ensure that sound business opportunities are identified and pursued without exposing the business to an unacceptablelevel of risk;
- Improve compliance with good corporate governance guidelines and practices as well as laws & regulations; and
- Improve financial returns

Treasury management

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury operates as per the delegation of authority from the Board. Day-to-day treasury operations are managed by Company's finance team. Long-term fund raising including strategic treasury initiatives are handled by a Treasury team. The Company has a strong system of internal control which enables effective monitoring of adherence to Company'spolicies.

Commodity price risk

Fluctuation in commodity price in market affects directly or indirectly the price of raw material and components used by the Company. The Company sells its products to consumers directly through showrooms and there is a regular negotiation/adjustment of prices on the basis of changes in the commodity prices.

Financial risk

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk.

The Company does not engage in speculative treasury activity but seeks to manage risk and optimize interest through proven financial instruments.

(I) LIQUIDITY

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as wellas in the long-term.

The Company has been rated by ICRA Limited for its banking facilities in line norms.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

The Company has hypothecated its trade receivables, inventory, advances and other current assets in order to fulfil the collateral requirements for the financial facilities in place. There are no other significant terms and conditions associated with the use of collateral.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reportingdate

Particulars	Carrying value	less than 1 year	more than 1 year
Mar 31, 2022			
Lease liabilities	254.11	30.96	223.15
Borrowings - Non current	1,040.26	-	1,040.26
Other financial non-current liabilities	2.12	-	2.12
Borrowings	3,737.09	3,737.09	-
Trade payables	886.05	886.05	-
Other financial liabilities	15.73	15.73	-
Total	**5,935.35**	**4,669.83**	**1,265.52**
Mar 31, 2021			
Lease liabilities	255.77	29.72	226.05
Borrowings	1,139.69	-	1,139.69
Other financial non-current liabilities	1.81	-	1.81
Borrowings	3,494.65	3,494.65	-
Trade payables	588.82	588.82	-
Other financial liabilities	11.82	11.82	-
Total	**5,492.56**	**4,125.01**	**1,367.55**
Mar 31, 2020			
Lease liabilities	481.33	40.05	441.28
Borrowings	451.68		451.68
Other financial non-current liabilities	1.62		1.62
Borrowings	3,741.51	3,741.51	-
Trade payables	1,005.95	1,005.95	-
Other financial liabilities	18.25	18.25	-
Total	**5,700.34**	**4,805.76**	**894.58**

(II) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the other payables. The risks primarily relate to fluctuations in US Dollar, GBP against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

(III) CREDIT RISK

Credit risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The carrying amount of trade receivables, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents company's maximum exposure to the credit risk.

Credit risk from balances with banks is managed by the Company's treasury department in accordance with Company's policy. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others. Since company operates on business model of primarily cash and carry, credit risk from receivable perspective is insignificant.

(b) CAPITAL MANAGEMENT AND GEARING RATIO

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
Borrowings			
Non current	1,040.26	1,139.69	451.68
Current	3,737.09	3,494.65	3,741.51
Debt	4,777.34	4,634.34	4,193.19
Equity share capital	97.70	97.70	97.70
Other equity	2,630.89	2,192.16	1,983.10
Total capital	2,728.59	2,289.86	2,080.80
Gearing ratio in % (Debt/ capital)	1.75	2.02	2.02

NOTE NO. 49

Financial instrument and risk management

(A) CATEGORIES OF FINANCIAL INSTRUMENTS

The carrying value of the financial instruments by categories

Particulars	Carrying value		
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
Financial assets			
Measured at amortised cost			
Other non-current financial assets	42.52	39.93	29.82
Trade receivables	200.21	197.63	77.61
Cash and cash equivalents	63.92	217.23	180.56
Bank balances other than cash and cash equivalents	22.51	31.24	63.45
Loans	1.70	2.94	1.84
Other financial assets	1.88	10.00	12.63
Total	**332.75**	**498.97**	**365.92**
Financial liabilities			
Measured at amortised cost			
Lease liabilities	254.11	255.77	481.33
Borrowings - Non current	1,040.26	1,139.69	451.68
Other financial non-current liabilities	2.12	1.81	1.62
Borrowings - current	3,737.09	3,494.65	3,741.51
Trade payables	886.05	588.82	1,005.95
Other financial liabilities	15.73	11.82	18.25
Total	**5,935.35**	**5,492.56**	**5,700.34**

Particulars	Fair Value		
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
Financial assets			
Measured at amortised cost			
Other financial non-current assets	42.52	39.93	29.82
Trade receivables	200.21	197.63	77.61
Cash and cash equivalents	63.92	217.23	180.56
Bank balances other than cash and cash equivalents	22.51	31.24	63.45
Loans	1.70	2.94	1.84
Other financial assets	1.88	10.00	12.63
Total	**332.75**	**498.97**	**365.92**
Financial liabilities			
Measured at amortised cost			
Lease liabilities	254.11	255.77	481.33
Borrowings	1,040.26	1,139.69	451.68
Other financial non-current liabilities	2.12	1.81	1.62
Borrowings	3,737.09	3,494.65	3,741.51
Trade payables	886.05	588.82	1,005.95
Other financial liabilities	15.73	11.82	18.25
Total	**5,935.35**	**5,492.56**	**5,700.34**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) The Company has disclosed financial instruments such as borrowings, trade payable, and other current liabilities, loans, trade receivable, cash and cash equivalents and bank balances other than cash and cash equivalents at carrying value because their carrying values are a reasonable approximation of the fair values due to their short term nature.

(ii) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party.

(III) FAIR VALUE HIERARCHY

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Disclosures of fair value measurement hierarchy for financial instruments are given below

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
Level 3			
Financial Assets, measured at Amortised Cost			
Other financial non-current assets	42.52	39.93	29.82
Trade receivables	200.21	197.63	77.61
Cash and cash equivalents	63.92	217.23	180.56
Bank balances other than cash and cash equivalents	22.51	31.24	63.45
Loans	1.70	2.94	1.84
Other financial assets	1.88	10.00	12.63
Total	**332.75**	**498.97**	**365.92**
Financial liabilities Measured at amortised cost			
Lease liabilities	254.11	255.77	481.33
Borrowings	1,040.26	1,139.69	451.68
Other financial non-current liabilities	2.12	1.81	1.62
Borrowings	3,737.09	3,494.65	3,741.51
Trade payables	886.05	588.82	1,005.95
Other financial liabilities	15.73	11.82	18.25
Total	**5,935.35**	**5,492.56**	**5,700.34**

Note No. 50

Key Ratios

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
a) Current Ratio:	**1.62**	**1.61**	**1.31**
Current Assets	8,021.91	6,979.77	6,766.40
Current Liabilities	4,966.26	4,340.22	5,178.71
b) Debt Equity:	**1.75**	**2.02**	**2.02**
Total Debt (long-term and short-term interest bearing)	4,777.34	4,634.34	4,193.19
Shareholder's Equity	2,728.59	2,289.86	2,080.80
c) Debt Service Coverage Ratio:	**2.66**	**3.85**	**3.37**
Earnings available for Debt Service	601.66	342.74	387.35
Debt Service	225.87	89.09	114.90
d) Return on Equity:	**17.41%**	**9.49%**	**12.44%**
Net Profits after taxes	436.79	207.37	243.86
Average Shareholder's Equity	2,509.23	2,185.33	1,959.82
e) Inventory Turnover Ratio:	**2.41**	**2.25**	**2.23**
Total Sales	16,939.19	14,335.69	12,791.30
Average Inventory	7,041.62	6,371.46	5,742.64
f) Trade Receivables Turnover:	**85.16**	**104.17**	**87.36**
Total Sales	16,939.19	14,335.69	12,791.30
Average Accounts Receivable	198.92	137.62	146.43

g) Trade Payables Turnover:	**21.86**	**16.07**	**15.26**
Total Purchases	16,120.96	12,816.16	12,052.03
Average Trades Payable	737.43	797.39	789.57
h) Net Capital Turnover:	**5.95**	**6.78**	**8.69**
Total Sales	16,939.19	14,335.69	12,791.30
Average Working Capital	2,847.60	2,113.62	1,471.94
i) Net Profit Ratio:	**2.58%**	**1.45%**	**1.91%**
Net Profit	436.79	207.37	243.86
Total Sales	16,939.19	14,335.69	12,791.30
j) Return on Capital Employed:	13.77%	10.54%	13.54%
Earning before interest and taxes	1,000.45	703.62	783.96
Capital Employed	7,266.94	6,675.89	5,791.83
k) Return on Investment	NA	NA	NA
Net Profit	NA	NA	NA
Shareholder's Equity	NA	NA	NA
l) Earnings per equity share (post bonus)			
Basic earnings per share of ₹ 10 each	11.18	5.31	6.24
Diluted earnings per share of ₹ 10 each	11.18	5.31	6.24
m) Net asset value per share	69.82	58.59	53.24
Net assets value	2,728.59	2,289.86	2,080.80
No of equity shares #	3,90,80,000	3,90,80,000	3,90,80,000
n) Weighted average number of shares	3,90,80,000	3,90,80,000	3,90,80,000
o) EBIDTA margin	6.20%	4.85%	6.42%
EBIDTA	1,049.59	695.51	821.68
Revenue from operations	16,939.19	14,335.69	12,791.30

The Company has issued bonus equity shares of 3 nos for each equity share held on August 08, 2022 as per the shareholders resolution on August 10, 2022.

NOTE NO. 51 EXCEPTIONAL ITEMS

The Company has written-of the expenses incurred in process of setting up of the stores at Vijayawada and Gachibowli totalling to ₹ 112.34 million due to political uncertainty on State capital at Vijayawada along with market instability due to COVID pandemic at both the places.

NOTE NO. 52

Appropriate regroupings have been made in the restated statements of assets and liabilities, profit and loss and cash flows, wherever required by reclassification of the corresponding items of incomes, expenses, assets, liabilities, and cash flows, in order to bring them in line with the accounting policies and classification as per financial statement of the company prepared in accordance with schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

NOTE NO. 53

Estimation uncertainty relating to the global health pandemic on COVID-I9:

In assessing the recoverability of receivables, realization of inventories, other current assets and intangible assets, and certain fixed assets, the Company has considered internal and external information up to the date of approval of these financial statements. The Company has evaluated recoverability and realization of assets based on current indicators of future economic conditions and expects to recover and realize the carrying amount of these assets. The impact of the global health pandemic may be different estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material charges to future economic conditions.

Note No. 54

(a) Title deeds of immovable properties

The title deeds of the immovable properties are held in the name of the company.

(B) VALUATION OF PROPERTY PLANT & EQUIPMENT, INTANGIBLE ASSET

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year(s).

(C) LOANS OR ADVANCES TO SPECIFIED PERSONS
No loans or advances in the nature of loans are granted to promoters, directors, KMPS and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

(D) DETAILS OF BENAMI PROPERTY HELD
No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(E) BORROWING SECURED AGAINST CURRENT ASSETS
The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

(F) WILLFUL DEFAULTER
The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(G) RELATIONSHIP WITH STRUCK OFF COMPANIES
The Company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(H) REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)
There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutoryperiod.

(I) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES
The Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017 is not applicable to the company.

(J) COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS
The Company has not entered into any scheme of arrangement which has an accounting impact on current or previousfinancial year(s).

(K) UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM
No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(L) UNDISCLOSED INCOME
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

(M) DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year(s).

(N) UTILISATION OF BORROWINGS AVAILED FROM BANKS AND FINANCIAL INSTITUTIONS
The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

NOTE NO. 55

(a) The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive Income in accordance with Ind AS is given below:-

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Net Profit for the period under previous Indian GAAP	**450.69**	**206.95**	**268.64**
(1) Fair valuation of rental deposits			

(i) Interest unwinding on lease deposit	(0.21)	(0.19)	(0.17)
(ii) Rental income	0.39	0.39	0.39
(iii) Deferred tax impact on above	(0.04)	(0.05)	(0.06)
(2) Impact of Ind AS 116			
(a) Increase/(decrease) in total income			
(i) Interest income on lease receivables	0.48	0.62	6.11
(ii) Lease cancellation / modification	-	26.03	(0.32)
(iii) Deferred tax impact on above	(0.12)	(6.71)	(1.46)
(b) Increase/(decrease) in total expense			
(i) Amortisation of Right of use assets	(18.30)	(18.30)	(18.32)
(ii) Interest on lease liabilities	(28.06)	(40.56)	(53.44)
(iii) Other expenses- Rent	29.72	40.05	30.08
(iv) Deferred tax impact on above	4.19	4.74	10.49
(3) CWIP write-off (Exceptional items)	-	(5.20)	-
(i) Deferred tax impact on above	-	1.31	-
Total comprehensive income for the year as per restated financials	**438.73**	**209.07**	**241.94**

(b) Reconciliation of other equity between previous GAAP and Ind AS

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Other Equity as per previous Indian GAAP	**2,667.28**	**2,216.59**	**2,009.64**
(a) Adjustment to opening balance - Fair valuation of rental deposits	0.15	0.15	0.15
(b) Cumulative net impact of Ind AS adjustments above	(36.54)	(24.58)	(26.69)
	2,630.89	**2,192.16**	**1,983.10**

NOTE NO 56

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
a) Basic earnings per share (in ₹) (Pre Bonus)	**44.71**	**21.22**	**24.96**
Profit for the year	436.79	207.37	243.86
Weighted average no. of equity shares outstanding during the year - For basic earnings per equity share	97,70,000	97,70,000	97,70,000
b) Basic earnings per share (in ₹) (Post Bonus)	**11.18**	**5.31**	**6.24**
Profit for the year	436.79	207.37	243.86
Weighted average no. of equity shares outstanding during the year - For basic earnings per equity share	3,90,80,000	3,90,80,000	3,90,80,000
c) Diluted earnings per share (in ₹) (Pre Bonus)	**44.71**	**21.22**	**24.96**
Profit for the year	436.79	207.37	243.86
Weighted average no. of equity shares outstanding during the year - For Diluted earnings per equity share	97,70,000	97,70,000	97,70,000
d) Diluted earnings per share (in ₹) (Post Bonus)	**11.18**	**5.31**	**6.24**
Profit for the year	436.79	207.37	243.86
Weighted average no. of equity shares outstanding during the year - For Diluted earnings per equity share	3,90,80,000	3,90,80,000	3,90,80,000
e) Return on net worth (%)	**17.41%**	**9.49%**	**12.44%**
Profit for the year	436.79	207.37	243.86
Average Shareholder's Equity	2,509.23	2,185.33	1,959.82
f) Return on capital employed (%)	**13.77%**	**10.54%**	**13.54%**
Earning before interest and taxes	1,000.45	703.62	783.96
Capital Employed	7,266.94	6,675.89	5,791.83
g) Net asset value per share (in ₹) (Pre Bonus)	**279.28**	**234.38**	**212.98**
Net assets value	2,728.59	2,289.86	2,080.80
No of equity shares	97,70,000	97,70,000	97,70,000

h) Net asset value per share (in ₹) (Post Bonus)	**69.82**	**58.59**	**53.24**
Net assets value	2,728.59	2,289.86	2,080.80
No of equity shares	3,90,80,000	3,90,80,000	3,90,80,000
i) EBITDA (in ₹ million)	**1,049.59**	**695.51**	**821.68**

The accompanying notes are an integral part of the restated financial statements
As per our examination report of even date

As per our examination report of even date

For Sagar & Associates
Chartered Accountants

CA B. Aruna
Partner
Membership No.: 216454
F. No. 003510S

Place: Visakhapatnam
Date: August 22, 2022

For and on behalf of the Board of Directors

GBM Ratna Kumari
Chairperson &
Managing Director
DIN: 00492520

GS Keerthana
Whole-Time Director &
Chief Financial Officer
DIN: 05211918

R. Satish
Chief Executive Officer

B. Shiva Krishna
Company Secretary &
Compliance Officer

OTHER FINANCIAL INFORMATION

The audited financial statements of our Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and the reports thereon dated August 22, 2022, September 09, 2021 and September 03, 2020, respectively ("**Audited Financial Statements**") are available at https://www.vaibhavjewellers.com/investor-relations.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world.

The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "Group") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any Book Running Lead Managers or the Promoter Selling Shareholder, nor any of their respective employees, directors, shareholders, affiliates, agents, advisors 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	**As at and for the year ended March 31, 2022**	**As at and for the year ended March 31, 2021**	**As at and for the year ended March 31, 2020**
Earnings per share*			
Basic earnings per share (₹)	11.18	5.31	6.24
Diluted earnings per share (₹)	11.18	5.31	6.24
Return on net worth (%)	17.41	9.49	12.44
Net asset value per equity share (₹)	69.82	58.59	53.24
EBITDA (in ₹ million)	1049.59	695.51	821.68

(1) Basic and diluted earnings per share is computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
(2) Return on net worth means restated profit after tax for the year divided by total average equity.
(3) Net Asset Value per share is calculated by dividing the restated net worth by the number of equity shares outstanding at the end of the year.
(4) EBITDA is calculated as profit after tax for the year, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income.
** Pursuant to a resolution of our shareholders dated August 10, 2022 the Company has issued and allotted 29,310,000 bonus equity shares in the ratio of 3 (three) fully paid-up bonus share of the face value of Rs.10 each for every existing 1 (one) fully paid-up equity share of the face value of Rs.10 each held by the members. All per share data has been calculated after giving effect to such bonus issue in accordance with principles of Ind AS 33 "Earning per Share".*

RELATED PARTY TRANSACTIONS

For further details of the related party transactions, as per the requirements under applicable Indian Accounting Standards i.e. Ind AS 24 '*Related Party Transactions*' for the years ended March 31, 2022, March 31, 2021, and March 31, 2020 as reported in the Restated Standalone Financial Information, see "*Restated Standalone Financial Information – Note 47 Related party disclosure pursuant to IND AS*" on page 275.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Statements, which is included in this Draft Red Herring Prospectus.

This Draft Red Herring Prospectus contains forward looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors including the considerations described under "Risk Factors" and "Forward Looking Statements" beginning on pages 32 and 21, respectively, and elsewhere in this Draft Red Herring Prospectus.

Unless otherwise indicated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements included in this Draft Red Herring Prospectus. See "Financial Statements" on page 233. Further, unless otherwise indicated or the context otherwise requires, all operational information included herein for Fiscal 2020, 2021 and 2022 is as on standalone basis. For further information, see "Restated Financial Statements" beginning on page 233. Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless the context otherwise requires, in this section, references to "we", "us", "our", "the Company" or "our Company" refers to Manoj Vaibhav Jewellery `N` Gems Limited.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Indian Jewellery Retail Industry Report" dated August 31, 2022 (the "Technopak Report"), prepared and issued by Technopak Advisors Private Limited ("Technopak") appointed on January 25, 2022 and exclusively commissioned by and paid for by us in connection with the Offer. A copy of the Technopak Report is available on the website of our Company at https://www.vaibhavjewellers.com. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors" – "***Certain sections of this Draft Red Herring Prospectus disclose information from an industry report commissioned by us from Technopak Advisors Private Limited and any reliance on such information for making an investment decision in the Offer is subject to inherent risks***." on page 48. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page17.

OVERVIEW

We, Vaibhav Jewellers, are a leading regional jewellery brand in South India led by a first generation woman entrepreneur Mrs. Bharata Mallika Ratna Kumari Grandhi along with her daughter Grandhi Sai Keerthana *(Source: Technopak Report).* We are a hyperlocal jewellery retail chain with presence in the micro markets of Andhra Pradesh & Telangana with 13 showrooms (inclusive of two franchisee showrooms) across 8 towns and 2 cities. We have a market share of ~5% of the overall Andhra Pradesh and Telangana jewellery market and ~14% of the organised market in these two states in FY2021, as per the Technopak Report. We were one of the earlier entrants in the organised jewellery retail market of Andhra Pradesh and continue to focus on regional expansion into the high growth untapped regions within the micro-markets of Andhra Pradesh & Telangana thereby creating a market for branded jewellery in the area of our operations. The Indian Jewellery Market is expected to reach a value of USD 92 Bn by FY 2025, growing at a CAGR of 15% over the next 3 years on account of the growing economy and rising disposable income, increasing consumer demand for gold, growth in gold prices and rising demand for other categories like diamonds, other precious stones and costume jewellery (*Source: Technopak Report*). In FY 2021, the total market size of Andhra Pradesh and Telangana was USD 2.0 Bn and USD 1.7 Bn respectively. While the Andhra Pradesh jewellery market is expected to grow to USD 4.6 Bn by FY 2025 at a CAGR of ~23%, the Telangana market is expected to grow to USD 3.9 Bn during the same period at a CAGR of ~23% *(Source: Technopak Report)*.

We cater to all economic segments of the micro markets of Andhra Pradesh and Telangana through our dedicated branded showrooms and have a strong rural market focus and a dedicated urban focus also. We have positioned ourselves as a retailer focussed on 'Relationships, by Design' where we focus on offering designs, high quality, transparency and customer service to our customers. We connect with target groups through exhibitions to understand the taste and preference of the customers through our "Go to Marketing Strategy". Rural markets have a larger pie of the retail jewellery market and the inelasticity of rural demand for gold offers large potential for growth. 77% of our retail showrooms are in Tier 2 and Tier 3 cities catering to the semi urban and rural demand of Andhra Pradesh and Telangana. The remaining 15% of our retail showroom are located in Mini Metro city of Hyderabad and 8% of our showroom is located in Tier 1 city of Visakhapatnam catering to the urban consumers. We follow a hub & spoke model with small sized showrooms operating peripheral to the larger showrooms. This allows us to offer new products to the semi urban and rural customers on a continuous basis and capture a share of that market. Rural market in the state of Andhra Pradesh and Telangana contributes 52-55% of the total jewellery market in FY 2021 in these two states *(Source: Technopak Report)*.

We were established by our founder, Late Mr. Manoj Kumar Grandhi, with a vision to introduce organised jewellery retail play in the markets that we operate in. We started our jewellery business as a proprietorship concern in the year 1994 from our first retail showroom in Vishakapatnam. In 2007 we launched V Square, our flagship showroom, which is one of the largest in Visakhapatnam with 29,946 sq.ft jewellery retail space and is one of India's largest ISO certified jewellery showroom. We are expanding our presence in Andhra Pradesh and Telangana simultaneously, thereby enabling us to capture demand and meet the taste of the population of both the states. Presence in coastal Andhra belt gives us an exposure to agri-customer base and thus our showrooms are aligned to capture the demand coming in from such customers. We have developed goodwill with our presence of over 28 years in the markets that we operate. Our brand, Vaibhav Jewellers, is a known name in Andhra Pradesh & Telangana with a loyal customer base. Each of our showroom houses varied exquisite and large inventory of designs across wide range of products in Gold, Diamond, Gems, Platinum & Silver Jewellery and / or articles.

We believe in building relationship based connects with customers. In order to do so, we undertake numerous activities / campaigns / promotional events to be in touch with our customers. The focus is to have a one-on-one connect with each of our customers. We undertake activities like focused group discussions for educating customers; exhibitions to showcase new collections, draw footfalls and increase brand awareness; village campaigns for making deeper customer connects & spread awareness and door-to-door activities for direct selling. We also have a marriage cell that has database of the marriage ecosystem basis which the Company would invite the couple and their families for jewellery purchase for the occasion. The Company focuses highly on these activities and is successful in effective direct selling and thus attracting different generes of customers, including high end customers.

We have designed and developed a website – www.vaibhavjewellers.com, for our online sales in addition to other online market places. Our website can be easily navigated and is user friendly for online shopping, enquiries, live videos shopping options. It serves as a strong starting point to display of our varied collection and to push online sales that would transcend beyond southern boundaries and make a strong case for pushing the brand to other micro-markets as well as states. The e-commerce initiative of the company also enables it to reach out to its global customer base located at various locations. Further, the e-commerce is directly linked to the retail showroom which enables direct selling via augmented reality and video conferencing.

We procure jewellery on an outright basis from our list of suppliers as well as we supply bullion to job workers for creating varied designs of jewelleries as per our specifications. We sell a wide range of gold, silver, diamond jewellery and precious gemstones and other jewellery products with wide collection of designs to meet the needs of all types of customers on all occasions throughout the year including festivals, weddings, special days such as Akshaya Tritiya and all other festive occasions.

In Financial Year 2022, our revenue from operations was ₹ 16,939.19 million. Our revenue per retail showroom for FY2022 was ₹1411.60 million and EBITDA per retail showroom was ₹87.47 million. We have consciously expanded our presence into the micro-markets periodically adding new retail showrooms in Tier 2 and Tier 3 cities. Our total retail showrooms have increased from 3 showrooms as of March 31, 2015 to 13 showrooms (inclusive of two franchisee showrooms) as of August 15, 2022, and we intend to continue to open new retail showrooms as we expect significant opportunity for further penetration in our existing markets as well as in new markets, primarily in Andra Pradesh and Telangana.

Our revenues have grown at a CAGR of 15.08% from FY2020 till FY2022. The product-wise revenue breakup is as for the past 3 fiscal is as follows

(in ₹ million)

Particulars	**Financial Year ended March 31, 2022**	**Financial Year ended March 31, 2021**	**Financial Year ended March 31, 2020**
Retail sales of Products			
Gold Ornaments	13,222.42	11,657.09	11,336.08
Gold (Exchange Gold) #	1,938.91	1,529.57	-

(in ₹ million)

Particulars	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020
Silver Articles	678.89	454.11	453.38
Platinum Ornaments	9.96	8.91	9.94
Diamond	650.40	408.11	606.93
Stones	433.61	269.95	357.35
Others	4.99	7.94	27.61
Total	**16,939.19**	**14,335.69**	**12,791.30**

During the year, old gold ornaments received from the customers on exchange basis are sent for refining purpose on sales/purchases mode.

Financial and Operational Metrics

The following table sets forth certain key financial information relating to our business in the periods indicated:

(in ₹ million)

Key Performance Indicators	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020
Revenue from operations	16,939.19	14,335.69	12,791.30
EBITDA(1)	1,049.59	695.51	821.68
EBITDA Margin(2)	6.20%	4.85%	6.42%
Profit for the year	436.79	207.37	243.86
PAT Margin(3)	2.58%	1.45%	1.91%
ROE(4)	17.41%	9.49%	12.44%
ROCE(5)	13.77%	10.54%	13.54%
Debt to Equity Ratio(6)	1.75	2.02	2.02
Net Debt/ EBITDA(7)	1.10	1.50	0.33

Notes:

1) *EBITDA means Earnings Before Interest, Taxes, Depreciation and Amortisation expense, which is calculated as sum of profit before tax, depreciation and amortization expense, finance costs less other income, as restated.*
2) *EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations, as restated.*
3) *PAT means profit for the year divided by Revenue from operations, as restated.*
4) *Return on Equity (ROE) is calculated as profit for the year divided by average equity, as restated.*
5) *Return on Capital Employed (ROCE) is calculated as sum of profit for the year, finance costs and tax expenses divided by Capital Employed where Capital Employed is sum of Tangible Net Worth, Total Debt and Deferred Tax Liability, as restated*
6) *Debt to Equity Ratio is calculated as Total Debt divided by the sum of Equity Share Capital and Other Equity, as restated.*
7) *Net Debt/EBITDA is calculated as Total Term Liabilities less cash and cash equivalents divided by EBITDA, as restated.*

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Impact of COVID-19

March 2020 to May 2020

An outbreak of a novel strain of coronavirus disease 19 ("**COVID-19**"), was recognised as a pandemic by the World Health Organization ("**WHO**"), on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India have taken preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit their time outside of their homes. Temporary closures of businesses had been ordered and numerous other businesses have temporarily closed voluntarily. Further, individuals' ability to travel had been curtailed through mandated travel restrictions and was further limited. Post the national lockdown, many local governments also implemented further phase wise restrictions and lockdowns thus affecting the business as a whole. Due to a government mandated lockdown in India, we had to temporarily close all of our showrooms, procurement centres and our offices from March 24, 2020 to May 11, 2020. Like any other business across the country, even our operations and revenue had an impact during the lockdown.

The real growth rate declined to 4% in FY 2020 and witnessed a contraction of 7.3% in FY 2021 due to the outbreak of COVID-19 pandemic. The pandemic led to imposition of lockdowns towards the last quarter of FY 2020 and a major part of the first quarter of FY 2021 causing a contraction in the economy. Further lockdowns were lifted in staggered manner and local lockdowns were imposed as per the gravity of the situation (Source: Technopak Report).

In accordance to the government notification passed at regular intervals, we had to ensure that we maintain all our employees at all branches and offices with very minimal operations and business activities which impacted our financials. We reduced the salaries of our employees and also reduced the lease rental across all our branches. We also proactively and regularly engaged with our customers to reassure them about the strength and the trust of our brand and business. We ensured the customers safety by introduction of every level of safety protocol against the novel corona virus COVID-19. As a result, we experienced a return of customer traffic to our showrooms and in FY 2021, despite the pandemic, there was an increase in our revenues by 12.07% as compared to FY 2020.

May 2020 onwards

We resumed operations from May 11, 2020 in a staggered manner and by the end of June 2020, we resumed operations in all our showrooms with 50% staff capacity. Our effective support systems allowed us to commence our operations in a strong manner, despite the temporary disruption in our business due to the lockdown. Our supply chain network built by us over the years and the capabilities and depth of our management team enabled us to restart the operations quickly post the restrictions were eased.

Due to COVID-19 lockdown, we also started focusing on our online business model, which added to our revenues. COVID-19 lockdown and loss of business also led us to take necessary steps and strategise the reduction of the expenses on overheads such as electricity, travel, advertisement and other overheads. We also proactively and regularly engaged with our customers to reassure them about the strength and the trust of our brand and business. We ensured that the customers felt safe with us and introduced extensive safety protocols against the novel corona virus COVID-19. As a result, we have since experienced a return of customer traffic to our showrooms. Despite the prevalence of COVID-19, our revenues grew by 12.07% in FY21 and 32.43% in FY22 as compated to FY20.

The uncertainty of COVID-19 and its impact pushed many families to make provisions for financial stability and investment and gold being one of the best modes of investment had a positive impact on our business. The impact of the COVID-19 pandemic accelerated the shift of the jewellery market from unorganised players to organised chains such as us, given the conviction consumers are likely to have in the showroom experience, safety protocols, hygiene and quality that we can offer.

Expand in the untapped sections of the micro markets of Andhra Pradesh and Telangana and develop those markets for organised jewellery sales

Our strategy is to deeply penetrate the micro markets of Andhra Pradesh and Telangana with organised retail play and focus on rural areas as well as Tier 3 cities while catering to their taste, preference and demand and allowing them to choose from a very localized and culturally connected designs. We are currently present in 7 districts in Andhra Pradesh out of the 26 districts and in 2 districts in Telangana out of the 33 districts. We believe that our key focus on building our brand is by reaching out to newer customers, understand their requirement and deliver them the best of the products as per their requirements. Accordingly, one of our prime strategies is to focus on regional expansion and expand our presence in cities where organised jewellery retail chains are not available. (*Source: Technopak Report*).

One of our main objects of the Offer is to open 8 showrooms across various Tier 2 and Tier 3 locations in Andhra Pradesh and Telangana (*For further details see "Objects of the Offer on page 92*). Our strategy is to study and research the potential market regarding the various opportunities that lie in the micro markets of Andhra Pradesh and Telangana and reach out to such towns by opening retail showrooms and introduce organised retail play.s. Our research team is constantly engaged in studying the micro market of Andhra Pradesh and Telangana for our subsequent and future expansion plans.

Our standardised approach to new showroom opening enables us to launch our showroom at a faster pace with the right amount and type of inventory. The Company has a strong in-house market mapping team that does research & catchment area study for almost 6 – 8 months before a showroom is planned. Marketing and promotional activities are conducted before a showroom is launched. The marketing and promotional activities are carried for a period of 60 – 75 days, which will help to attract larger audience to the showroom on the launch date as well as ensure consistent subsequent sales post the launch. We evaluate all of our showroom locations by conducting extensive market research, study, understanding the demographics, accessibility, locality and the commercial viability. Further, we also study the existing jewellers in a given region to understand their product offerings as well as local jewellery preferences, enabling us to curate a merchandise offering at our showrooms that is both tailored to local preferences as well as to offer a wider range of jewellery products.

We intend to leverage our substantial past efforts and experience to expand our presence across various cities and towns that we believe have the right potential for us to set up new showrooms. Our effort towards building our brand over the years in the local market of Andhra Pradesh and Telangana will give us the advantage in our expansion plans to newer locations.

Focus on further strengthening our rural focus and improving our sales from existing showrooms

Rural market continues to contribute 60% of the jewellery demand in India. (*Source: Technopak Report*). One of our strategy is to strengthen our focus and presence in the rural markets to improve our scale of business. Our strategy to map our location based customer preference in relating to the location of our showrooms and study its competitive landscape, allows us to understand the market behaviour and accordingly strategise our sales in each location. Based on this understanding, we plan our inventory management and merchandising strategies.

Our strategy is to expand our presence in non-penetrated market of Tier 2 and Tier 3 cities, and enjoy the benefit of a first mover advantage in the untapped regions. Our strategy of dynamic inventory management practice helps us in achieving higher sales at all times and specially during peak season of festivals due to the diversified and unique products offering that we are able to cater to our customers. We concentrate and strategize to focus on the rural sector as we believe that inelasticity of rural demand for gold offers great potential for our growth in such areas.

Deepen our customer relationships by enhanced focus on our Go-to-Market strategy to strengthen our customer engagement

In jewellery business, one of the most important factors for growth is the trust and brand image that one can create in the mind of the customer. The trust regarding the quality of the product is imperative, which allows our business to grow and also this creates a strong relationship with our customers. One of our strategy is to deepen our customer relation by regular engagement efforts such as campaigns, exhibitions, sales, offers, events, promotions. Our Go To Market (GTM) strategy model, will enable us to develop strong and long lasting connections and bond with our customers for ensuring repeat customers and recurring sales. We conduct a detailed customer profiling based out of the large database and the preference of the customers that we have and engage with them to cater to their needs. With our pricing, quality of products, shopping experience, diversified product offerings and ease of accessibility at various locations, we intend to further enhance and build a unique amount of trust and relation with customers of all genres across various locations.

Focus on augmenting our Brand strength

We work on augmenting the strength of our brand by enhancing our product offering, giving a good shopping experience at our retail showrooms and by continuous customer engagement. We intend to augment our brand strength through various medium such as different forms of promotional activities, focussing on CSR activities that are more centric on social issues which will connect with the sentiments of the consumer at rural levels. One of the strategies that we implement to create a stronger brand value is to have a strong communication effort with the consumers once we launch a showroom. Our strategy is to hire and engage employees hailing from the local town wherein we open a showroom so that they can connect with the sentiments of the locales and offer the best services. We intend to incentivize the well performing employees through our award programme in front of their family and village which helps in brand building and result in effective hiring & retention of our employees. We also intend to use our digital marketing ability to connect to various customers on a daily basis thus ensuring that we create a positive value of our brand.

Invest to enhance our product portfolio by offering wider spectrum of designs and thereby improve the sales of our Premium jewellery

We intend to continue to increase our focus on newer designs and products. We are conscious about the demand for unique designs and it is our endeavour to offer newer designs. We also follow a strategy of keeping inventory of design in our showroom specific to the location of the showroom and the type of consumers we are catering to, such as our flagship showroom caters to more of the cosmopolitan designs and product offerings to cater to such consumers and our rural showroom focusses more on the local based designs as per the choice of the customer of that location. Our strategy is to explore newer trend of products as per customer preferences and to innovate and improvise on our design collection and pattern. As a part of our strategy, we created a distinctive sub brand called **"Visesha"**. This sub brand has a distinctive identity for itself in the segment of premium jewellery. An enhanced shopping experience is also provided for these customers.

We believe that the Indian jewellery consumers are also becoming increasingly brand conscious and developing greater sophistication in their jewellery preferences. Given this trend, we are continuing to explore opportunities to expand our range of designs and product catalogue to provide our customers the bandwidth to choose their favourite products. We intend to build further on this portfolio of branded jewellery, in order to widen our appeal across larger cross sections of our target market.

Strengthen our Inventory Management practices

Strong and effective inventory management practices are core to successful retail operation. The right mix and quantum of inventory are showroom level 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. As a part of this strategy we maintain a very good relationship with our suppliers allowing us to enjoy a seamless replenishment of inventory. One of our strategy is to understand the market very closely through our study and research and try to bring in the unique and new design to the market before our competitors. In order to ensure the replenishment of inventory in an effective manner, we follow a process of selling our inventories that we believe may not fall within the current set of choice and preferences of our customer base by providing various discounts and offers to our customers on such products. The sale of old inventory allows us to replenish them with new set of inventory and also generates revenue from such sales.

Leverage on our e-commerce platform to reach our customers beyond our brick and mortar network

E-commerce is growing in an accelerated manner in India with accessibility of internet even in remote areas. The Indian jewellery industry has started to appreciate the need of digital transformation and has embarked in this journey thus providing the feasibility and accessibility of their product to its customer from remote location. The penetration of e-commerce is expected to grow to 10% of the total jewellery market by FY 2025 *(Source: Technopak Report)*. Many customers or prospective customers will come to know about our products and may want to experience and know more about our wide range of products. Our e-commerce platform will allow them to experience the product offering sitting anywhere in the world.

Since the advent of the COVID 19 pandemic, we have realised that online shopping will be one of the biggest markets and it is imperative that the customers get the best of the experience and ease of shopping on online platform. We have the team to ensure that our e-commerce platform is attractive and up to date with the software and regulatory requirement. We showcase varied designs and products from our catalogues on our e-commerce platform and provide unique marketing experience to our customers. We have seen a great response from our customers through our online platform and market place areas and we intend to strategise its growth and accessibility by reaching out to new customers and jurisdictions which will enhance our profitability and scalability. Our e-commerce platform gives us the leverage and the bandwidth to reach out to customers across various part of the globe and thus enhancing our customer portfolio in various jurisdictions. Our strategy is to expand our customer base to United States of America, Canada and United Kingdom by leveraging on our e-commerce platform vertical.

One of our prime focus is to provide a live inventory experience to our customers through our e-commerce platform. The live inventory experience allows our customers to try the jewellery sitting at home, just like a real-life experience in showroom. This allows a customer to select and choose any design of their preference that may suit their taste and preference and the same can be booked and have it delivered to their door step. As a part of the e-commerce strategy, our focus is to concentrate on the unique and fast moving design collections. Through e-commerce platform, our main focus is to enhance our brand image and focus on the varied collection of products that we can offer for establishing a strong customer reach and connect in the domestic & global market.

Marketing and Promotion

Our Brand

We have endeavoured to establish a strong brand in Andhra Pradesh and Telangana, which our customers associate with trust, quality and transparency. Our core values and the practice that we imbibe have helped build the strength of our brand. Our company employees are also our brand ambassadors and we focus on developing the culture and bonding in the employees right from the date of their joining the Company. We cater to all economic segments of the market in the regions wherein we operate through showrooms and loyal customer base. We have a strong rural market focus as we believe that besides the rural markets having a larger pie of the retail jewellery market and offering huge potential for organised players, the inelasticity of rural demand for gold offers great potential for growth. In rural market the volume of the gold matters for consumers not the value *(Source: Technopak Report)*.

Our branding strategy focuses on maintaining consistency in our brand messaging across all of our communication channels and markets in which we operate. Marketing by trained employees, word of mouth, advertisement in varied forms as digital, print and even social media and our constant communication with customers have helped build the strength of our brand.

Marketing

We have invested in the promotion of our brand over the years. Our aggregate expenses for marketing and other advertising efforts in Financial Year ending 2020, 2021 and 2022 was ₹ 80.72 million, ₹ 33.43 million, and ₹ 59.94 million respectively, which amounted to 0.63%, 0.23% and 0.35% of our revenue from operations respectively. We believe this investment in marketing and building our brand value is one of the key factors which has enabled us to build awareness, enjoy a loyal customer base and generate profitability and scalability.

We have invested a considerable amount of our marketing budget in promotions and advertisements of our business and products in the form of print as well as digital media. In the past, we have also engaged with celebrities to promote our brand and products and we also intend to the same in the future. We also focus on grass root level of marketing at a local level for promotion and also come up with unique methods to open a showroom along with lucky draws to ensure higher footfalls.

We also have a database of various service providers who are typically engaged in the business of marriage ceremonies providing us information on marriage ceremonies. With the information that we collect, we plan to invite the family of the groom and the bride to visit our showroom for selecting the jewellery of their choice that they may want for the wedding occasion.

To protect our brand and brand image, we do not open or launch any new showroom, unless we are confident of gaining strong revenue traction and sales from such showroom for the next 5 years. Our strong in-house market mapping team does research & catchment area study for almost 6 – 8 months, before a showroom is planned. Subsequent, to the planning of the showroom, the GTM marketing activities are conducted before a showroom is launched to create the interest and awareness amongst the local public. The GTM activities are carried for a period of 60 to 75 days which will help to pull in a larger audience to the showroom on the launch date as well as subsequent sales.

We position ourselves as a jewellery retailer of 'Relationships, by Design' and connect with target groups through exhibitions to understand the taste and preference of the customers. We also do promotional campaigns through a unique idea of knowing the customers in and around the locality and personally showcase our product and services, which give assurance of conversion to prospective sales. Also, during any new product or showroom launches the team targets the location, where they meet the customers with various promotional materials like catalogues, flyers, calendars to convey the message of the campaign (*Source: Technopak Report*).

Online Sales

We also sell our products through our online platform. Our e-commerce platform along with our presence in various market places provide us the leverage and the bandwidth to reach out to customers across various parts of the globe and thus enhancing our customer portfolio. Apart from India, our main customers from the e-commerce and market place platforms are based out of USA, Canada and United Kingdom.

Our sales from the e-commerce platform avenue have increased from ₹41.66 million in the Financial year 2018-2019 to ₹ 286.86 million in the Financial year 2021 -2022. This rise in sales in last 3 years makes us believe that that our e-commerce tools and market place platform are definitely a reason for our profitability and scalability and in improving our brand positioning in future to new markets and horizons in and outside India. One of our prime focus area is to provide a live inventory experience to our customers through our e-commerce platform. The live inventory experience software allows our customers to try all the jewellery sitting at home, just like a real-life experience in showroom. This allows a customer to select and choose any design of their preference and the same can be booked and delivered to their door step.

Competition

We face competition from both organised and unorganised players in the Indian jewellery industry and mainly jewellery companies who compete with us on a regional level in Andhra Pradesh and Telangana. We believe we are well-positioned to compete with both organised and unorganised jewellery companies given our localisation strategy where we tap into local demand, preferences and consumer trends. We have established a strong presence in the micro markets of Andhra Pradesh and Telangana with strong brand recognition and quality assurance of the products we offer.

Managing and Security of the Inventory

Managing the inventory

One of the most important part of our business is to manage the quantum and composition of our inventory efficiently. The processes and systems that we have put in place for inventory management are agile and robust. 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 efficient to handle the inventory and its movement during peak times such as wedding seasons and specific festival times such as Dhanteras, Akshaya Trithiya, Dussehra, Diwali and Ugadhi.

We have strict inventory management and monitoring practices in place that allow us to account for each piece of inventory. Our inventory is transported through logistics companies to our SCM office at Visakhapatnam. On receipt of the inventory in Visakhapatnam, the inventory is verified for their quantity against the respective invoice. Once checked, the GRN (Goods Receipt Note) will be generated for the inventory received. The inventory is thoroughly verified for jewellery sheen, design intricacy, breakage and chipping etc. The inventory is then sent for unique individual bar coding. Bar coded inventory is tallied with GRN weight and GRN reconciliation. The verified inventory is then allocated as per the material plan to respective showrooms while bar coding or after bar coding, as the case may be. Once the aforesaid process is complete, the inventory is ready to be dispatched to the respective showrooms. Stock Transfer Note (STN) for movement of the inventory is duly prepared for the respective inventory.

Our jewellery is typically identified with a unique barcode. No two bar codes are similar or identical and thus creates a unique record system for each inventory. We utilise computer systems in each of our showrooms to track and monitor each piece of inventory. A barcode inventory check is completed for a specific section of jewellery products each day before closing keeping the details in opening and closing log book and matching it with the sales of the day to ensure that all inventory is in record and nothing is misplaced. Our entire inventory is scanned, verified, confirmed and audited at regular intervals to ensure efficiency.

We have robust re-ordering process for replenishment of jewellery sold along with planned orders for future delivery to the vendors so that the stock is maintained. We have a dedicated stock audit team who conduct surprise stock checks across all retail showrooms on a random basis and check the quantity in terms of weight and numbers along with any damages to the stock which is on display and also in the stock room.

Quality check is a priority for SCM Team and every item received from the vendor is checked for hall marking and also check for any damages before sending to the counters for sale across all retail showrooms. Replenishment of stock at a faster speed is a challenge for the SCM department and our ordering process is robust and ensures stock availability especially during the season times such as marriages and festivals etc.

Plain gold jewellery has faster turns when compares to premium gold jewellery and our ordering process are designed accordingly. We also have a separate system of ordering plain gold and premium gold jewellery and it is purely based on turns given by each product in those categories.

Security

We have implemented strict security procedures to ensure our inventory is maintained securely and is not subject to any theft, misplacement or loss of inventory. Each of our showrooms is equipped with closed-circuit surveillance cameras linked to a digital video recorder at every place and specifically at entry, exit, display and point of sale. Our security surveillance system is state of the art and takes care of every entry and exit point and points of sale. Our flagship showroom at Vishakapatnam has a separate surveillance room that can view the movements of not only the Vishakapatnam showroom, but also all of our other retail showrooms across Andhra Pradesh and Telangana. Our systems allow our local and regional management to analyse inventory status and product sales across all our showrooms and report performance in real time, which can then be reviewed by our senior management team, allowing them to provide necessary course corrections and strategic guidance. Further, these tools are especially very essential and useful during peak seasons and festivities including but not limited to Dhanteras, Akshay Tritiya, Dussehra and Diwali.

Our showrooms are equipped with a multi-level lock enabled state of the art vaults at every floor to ensure the security of the inventory once the showroom is closed and with a full-time surveillance of the closed showroom also.

All of our jewellery in transit is fully insured and mostly handled through secured third-party carriers. We have dedicated team of vigilance officers who are on 24/7 surveillance across all retail showrooms. Along with the surveillance we also have movement sensors installed at all exit doors along with the sensor at stock room.

Technology

We have implemented a range of technologies throughout our operations with the aim of enhancing the experience of our customers and improving the efficiency of our operations. We have a centralised customer relationship management system (“CRM”) which enables us to utilise advanced analytics to understand customer behaviour, preferences, choice, and purchase patterns. This enables us to develop personalised marketing tool targeted to our various genre of customers and to offer customers products and promotions that may be of specific interest to them based on their choice and preference.

Our technology provides a live inventory experience to our customers through our e-commerce platform. The live inventory experience allows our customers to try all the jewellery on her sitting at home, just like a real-life experience in showroom. This allows a customer to select and choose any design of their preference and the same can be booked and delivered to their door step.

Furthermore, all our employees are digitally empowered with our corporate human resource application. Functionalities including attendance punching, leave requests, announcements, surveys, feedback, training and targets are all routed and supported through this application.

Our Company uses Tally ERP software for its accounting related requirements and JILABA software for our stock and point of sale related requirement.

PRESENTATION OF RESTATED FINANCIAL STATEMENTS

The restated financial statement of the Company comprises the Restated Statement of Assets and Liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Statement of Profit and Loss (including other comprehensive income), the Restated Statement of Cash Flows and the Restated Statement of Changes in Equity for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and the Summary Statement of Significant Accounting Policies, and other explanatory notes (collectively, the “restated financial statement”). These restated financial statement have been prepared by the management of the Company for the purpose of inclusion in the draft red herring prospectus and prospectus (collectively the “Offer Documents”) prepared by the Company in connection with its proposed Initial Public Offer (“IPO”) in terms of the requirements of:

(i) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
(iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the “Guidance Note”).

These restated financial statement have been compiled by the Management from:

1) Audited Ind AS financial statements of the Company for the year ended March 31, 2022, which were prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS

compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on August 22, 2022.

2) The audited Special Purpose Ind AS financial statements as at and for the years ended March 31, 2021 and March 31, 2020 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on August 22, 2022.

   The Special Purpose Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations") in relation to the proposed initial public offering of the Company and to comply with the general directions dated October 28, 2021 received from Securities and Exchange Board of India (SEBI) by the Company through Book Running Lead Managers (the "SEBI E-Mail").

   Accordingly, the company has prepared the Special purpose Ind AS financial statements for the years ended March 2021, March 2020 with comparative figures of March 2019. Hence, the date of transition to Ind AS for preparation of the Special purpose Ind AS financial statements is considered as April 01, 2018. Since the restated financial information is prepared based on the Special purpose Ind AS Financial Statements, date of transition to Ind AS for the preparation of the Restated Financial Information is considered as April 01, 2018.

3) From the audited financial statements of the company as at and for the years ended March 31, 2021 and March 31, 2020 prepared in accordance with Indian GAAP which were approved by the Board of Directors in their meetings held on September 09, 2021 and September 03, 2020 respectively.

The Company follows historical cost convention and accrual method of accounting in the preparation of the financial statements, except otherwise stated.
The accounting policies have been consistently applied by the Company in preparation of the Restated Financial Statements and are consistent with those adopted in the preparation of financial statements for the year ended March 31, 2022.
The restated financial statement:

i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31 2021 and 2020 to reflect the same accounting treatment as per the accounting policy and regrouping/classifications followed as at and for the year ended March 31, 2022.
ii) do not require any adjustment for modification as there is no modification in the underlying audit reports.

SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and judgement

The preparation of special purpose financial statement in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of special purpose financial statement. The actual outcome may diverge from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Useful lives of property, plant and equipment:

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

Fair value of financial assets and liabilities and investments:

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

Provisions and contingent liabilities

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

Contingent liabilities: Contingent liabilities are not recognised but are disclosed in notes to accounts.

Functional and presentation currency

Items included in the special purpose financial statement of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The special purpose financial statement are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

Revenue Recognition

a) Sale of goods: Revenue from the sale of goods is recognized at the point in time when control over the goods sold is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, net of discounts, variable considerations, other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities.

b) Interest income: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset of that asset's net carrying amount on initial recognition.

c) Service Income - Service income is recognized on rendering of services based on the agreements / arrangements with the concerned parties.

Leases

The Company's lease asset classes consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019 (standard effective date). The Company recognises a right-of-use asset and a lease liability at the later of lease commencement date or April 01, 2019. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

Foreign currencies

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on transactions designated as fair value hedge, if any.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Gold metal loan:

The Company has an arrangement with its banker for lifting gold under metal loan terms against a limit under "price unfixed basis" and opts to fix the price for gold taken under loan within 180 days at delivery. However, based on business expediencies the company fixes the price within 180 days, whenever the price is favorable and carried the transaction under the forward cover to be settled for payment of money on the specified date. The price difference arising out of such transactions are bifurcated into weight to foreign currency and foreign currency to ₹. The same are accounted to the head of purchase and foreign exchange fluctuation respectively. The interest if any payable to bankers on such outstanding is treated as expenses on accrual basis. The outstanding metal loan position if any as on reporting date is special purpose at marked to market price and the resulting difference if any is accounted to the purchase account and foreign exchange fluctuation.

Employee benefits

Leave Encashment:

Compensatory absence which accrue to the employees which are expected to be availed or encashed within twelve months after the end of the period in which the employees render the related service are short-term in nature. These compensatory absences require measurement on an actual basis and not on actuarial basis.

Defined contribution plan:

The company makes defined contribution to Provident Fund and Employee State Insurance which are recognized in the statement of Profit and Loss on accrual basis.

Defined benefit plan:

The company's liability towards gratuity is determined on the basis of year end actuarial valuations applying the Projected Unit Credit Method done by an independent actuary as on the Balance sheet date.

The actuarial valuation method used by the independent actuary for measuring the liability is the projected unit credit method. Actuarial losses and gains are recognized in Other Comprehensive Income (OCI) and are not reclassified to the statement of profit and loss in any subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service costs.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.
a) Current tax: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

b) Minimum Alternate Tax (MAT): paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

c) Deferred tax: Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is carried at historical cost.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price/ acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation on Property, plant and equipment (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in the case of fixutes at stores, has been provided based on the lease period of the respective premises. The estimated useful life of the tangible assets and the useful life are reviewed at the end of each financial year and the depreciation period is revised to reflect the changed pattern, if any. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss. Any leasehold improvements is depreciated over the lease term.

Capital work-in-progress

Capital work in progress includes, cost of assets not yet commissioned, and incidental expenses during the construction period. Certain directly attributable pre-operative expenses during construction period are included under Capital Work in Progress. These expenses are allocated to the cost of Fixed Assets when the same are ready for intended use.

Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised. The depreciation on Property, plant and equipment (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Estimated useful lives of the intangible assets is 6 years which contains Software. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined for raw material; work-in-progress; and finished goods on 'weighted average' basis. The cost of inventories includes all cost of purchase, cost of conversion and other cost incurred in bringing the Inventories to their present location and condition.

Packing materials and Gift items are valued at cost on FIFO basis.

Provisions and contingencies

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

Contingent liabilities: Contingent liabilities are not recognised but are disclosed in notes to accounts.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

a) Non-derivative Financial assets: All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

    All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

    Financial assets at amortised cost:

    A financial asset is measured at amortised cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is that which exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets. Interest income is recognised in profit or loss and is included in the "Other income" line item.

b) Derecognition of financial assets: A financial asset is derecognised only when the Company:

- has transferred the rights to receive cash flows from the financial asset; or

- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

c) Foreign exchange gains and losses: The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss.

d) Financial liabilities: All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL - Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income/Other expenses' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Segment reporting

Operating segments are reported in the manner consistent with the internal reporting to the Chief Executive Officer. The Company is reported at an overall level, and hence there are no separate reportable segments as per Ind AS 108.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Earnings per share (EPS)

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the profit or loss attributable to ordinary equity holders by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

OVERVIEW OF REVENUE AND EXPENSES

Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Income:

Our total income comprises of (i) revenue from operations; and (ii) other income.

Revenue from operations:

Our revenue from operations comprises of revenue from Retail Sales of Gold Ornaments, Gold (Exchange Gold), Silver Articles, Platinum Ornaments, Diamond, Stones and Others.

Other Income: Our other income comprises of Interest Income on Bank Deposits, Interest income from others, Liability Written back, Net gain on foreign currency transactions and translations, other non-operating income like Rental Income, Lease Rental Concessions and others.

Expenses

Our expenses comprise of cost of raw materials consumed, purchase of stock-in-trade, Change in inventories, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

Cost of raw material consumed: primarily consists of Opening Stock of Raw Material, Purchases of Raw Material and Closing Stock of Raw Material.

Purchase of stock in trade: Purchase of stock in trade includes retail purchases of Gold Ornaments, Silver Articles, Platinum Ornaments, Diamond, Stones and others.

Changes in inventories: Changes in inventories consists of changes in inventory of Work in Progress, Stock in Trade and Work in Progress between beginning and end of the financial year.

Employee benefits expense: Our employee benefits expense include salaries and wages, Director's Remuneration, Contribution to Provident Fund & ESI, Staff Welfare Expenses and Gratuity.

Finance costs: Our finance costs comprise of Interest on Term Loans, Interest on Working Capital Loans, Interest on Vehicle Loans, Interest unwinding on rental deposits, Interest on lease rental discounting, Interest on Others and Loan Processing & Renewal Charges.

Depreciation and Amortization expense: Depreciation and amortization expenses comprise of Depreciation of Property, Plant and Equipment, Amortization of Intangible Assets, Depreciation of Investment properties and Amortization of right-of-use assets.

Other expenses: Our other expenses consist of Job work charges, Freight and forwarding charges, Electricity expenses, Rent, Repairs and maintenance on Building, , Repairs and maintenance on Plant and equipment, Repairs and maintenance on Computers, Insurance, Rates and Taxes, Telephone expenses, Travelling expenses, Conveyance, Legal and Professional charges, Remuneration to auditor for audit services, Printing & Stationery, Postage & Courier Charges, Books & Periodicals, Charities & Donations, Loss on sale of assets (including right to use), CSR Expenses, Loss on foreign currency transactions and translations (net), Advertisement Expenses, Discount allowed, Other Selling and Distribution Expenses, Provision for doubtful trade receivables, Bank Charges, Credit Card Service Charges, Security Services, House Keeping expenses and Miscellaneous expenses.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies during Fiscal 2020, 2021 and 2022.

NON-GAAP MEASURES

EBITDA and EBITDA Margin, (together, "**Non-GAAP Measures**"), presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or US GAAP. In addition, these Non-GAAP Measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Reconciliation of EBITDA and EBIDTA margin to restated profit after tax

The table below reconciles restated (loss)/ profit for the year to EBITDA. EBITDA is calculated as a profit/ (loss) for the year, plus total tax expenses, finance costs and depreciation and amortization expenses, less other income, while EBITDA margin is the percentage of EBITDS divided by revenue from operations

(in ₹ million]

Particulars	Ref	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Restated profit for the year	I	**436.79**	**207.37**	**243.86**
Add:				

(in ₹ million]

Particulars	Ref	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Total tax expense	II	147.32	70.91	88.79
Finance costs	III	416.33	425.34	451.31
Depreciation and amortization expenses	IV	86.94	87.98	89.41
Less:				
Other income	V	37.80	96.09	51.69
Earnings before Interest, taxes, depreciation and amortization expenses (EBIDTA)	VI = I+II+III+IV-V	**1,049.59**	**695.51**	**821.68**
Revenue from operations	VII	16,939.19	14,335.69	12,791.30
EBIDTA margin	**VI/VII**	**6.20%**	**4.85%**	**6.42%**

Reconciliation of return on capital employed

(in ₹ million)

Particulars	Ref	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Equity	1	2,728.59	2,289.86	2,080.80
Add:				
Long-term Borrowings	2	1,040.26	1,139.69	451.68
Short-term Borrowings	3	3,737.09	3,494.65	3,741.51
Less:				
Right-of-use assets	4	216.39	234.69	471.16
Intangible assets	5	1.87	2.29	2.96
Deferred tax liabilities/(assets) - Net	6	20.73	11.33	8.04
Capital employed	**7=1+2+3-4-5-6**	**7,266.95**	**6,675.89**	**5,791.83**
Restated profit before interest and tax for the year	8	1,000.45	703.62	783.96
Return on Capital employed (%)	**9=8/7**	**13.77%**	**10.54%**	**13.54%**

Reconciliation of Return on Equity to Total Equity

[in ₹ million]

Particulars	Ref	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Closing equity	1	2,728.59	2,289.86	2,080.80
Opening equity	2	2,289.86	2,080.80	1,838.85
Average equity	3=Avg (1,2)	2,509.23	2,185.33	1,959.83
Profit for the year	4	436.79	207.37	243.86
Return on equity (%)	**5=4/3**	**17.41%**	**9.49%**	**12.44%**

Reconciliation of Total Borrowings and Debt to Equity Ratio

(in ₹ million)

Particulars	Ref	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Non-Current Liabilities - Borrowings	1	1,040.26	1,139.69	451.68
Current maturities of long-term debts	2	174.34	118.21	1.65
Current liabilities - Borrowings	3	3,562.74	3,376.44	3,739.87
Total borrowings	**4=1+2+3**	**4,777.34**	**4,634.34**	**4,193.20**
Total equity	5	2,728.59	2,289.86	2,080.80
Debt to equity ratio (times)	**6=4/5**	**1.75**	**2.02**	**2.02**

Our Results of Operations

The following table sets forth certain information with respect to our results of operations for the financial years ended March 31, 2022, 2021 and 2020, the components of which are also expressed as a percentage of total income for such years.

Particulars	Restated Results for the Year ended March 31, 2022		Restated Results for the Year ended March 31, 2021		Restated Results for the Year ended March 31, 2020	
	In ₹ Million	% of Total Income	In ₹ Million	% of Total Income	In ₹ Million	% of Total Income
Income						
Revenue from operations	16,939.19	99.78%	14,335.69	99.33%	12,791.30	99.60%
Other Income	37.80	0.22%	96.09	0.67%	51.69	0.40%
Total Income	**16,976.98**	**100.00%**	**14,431.79**	**100.00%**	**12,842.99**	**100.00%**

Particulars	Restated Results for the Year ended March 31, 2022		Restated Results for the Year ended March 31, 2021		Restated Results for the Year ended March 31, 2020	
	In ₹ Million	% of Total Income	In ₹ Million	% of Total Income	In ₹ Million	% of Total Income
Expenses						
Cost of raw material consumed	9,766.08	57.53%	8,147.34	56.45%	5,956.67	46.38%
Purchases of stock-in-trade	6,251.53	36.82%	4,648.62	32.21%	6,133.01	47.75%
Changes in inventories	(1,155.81)	(6.81)%	(60.91)	(0.42)%	(1,214.15)	(9.45%)
Employee benefit expense	356.17	2.10%	278.91	1.93%	401.13	3.12%
Finance costs	416.33	2.45%	425.34	2.95%	451.31	3.51%
Depreciation and amortization expense	86.94	0.51%	87.98	0.61%	89.41	0.70%
Other expenses	671.64	3.96%	513.88	3.56%	692.96	5.40%
Total Expenses	**16,392.87**	**96.56%**	**14,041.17**	**97.29%**	**12,510.33**	**97.41%**
Profit Before Exceptional Items and Tax	**584.12**	**3.44%**	**390.62**	**2.71%**	**332.65**	**2.59%**
Exceptional Items	-	-	112.34	0.78%	-	-
Profit Before Tax	**584.12**	**3.44%**	**278.28**	**1.93%**	**332.65**	**2.59%**
Tax Expenses						
Current Tax	157.38	0.93%	74.93	0.52%	100.59	0.78%
Deferred Tax	(10.06)	(0.06)%	(3.86)	(0.03)%	(13.34)	(0.10%)
Short/ (Excess) provision of earlier years	0.00	0.00%	(0.16)	(0.00)%	1.54	0.01%
Total Tax Expenses	**147.32**	**0.87%**	**70.91**	**0.49%**	**88.79**	**0.69%**
Profit for the Year	**436.79**	**2.57%**	**207.37**	**1.44%**	**243.86**	**1.90%**

Particulars	Restated Results for the Year ended March 31, 2022		Restated Results for the Year ended March 31, 2021		Restated Results for the Year ended March 31, 2020	
	In ₹ Million	% of Total Income	In ₹ Million	% of Total Income	In ₹ Million	% of Total Income
Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	2.59	0.02%	2.27	0.02%	(2.57)	(0.02%)
Income tax relating to Items that will not be reclassified to profit or loss	(0.65)	(0.00%)	(0.57)	(0.00%)	0.65	0.01%
Total comprehensive income for the year	**438.73**	**2.58%**	**209.07**	**1.45%**	**241.94**	**1.88%**

**** (%) column represents percentage of total income***

FINANCIAL YEAR 2021-22 COMPARED WITH FINANCIAL YEAR 2020-21

Total Income

Our total income increased by 17.64% to ₹ 16,976.98 million for the financial year 2021-22 from ₹ 14,431.79 million for the financial year 2020-21 due to the factors described below:

Revenue from operations:

Our revenue from operations increased by 18.16% to ₹ 16,939.19 million for the financial year 2021-22 from ₹ 14,335.69 million for the financial year 2020-21, an increase of ₹ 2,603.49 million. Our increase in sales is on account of relaxation of COVID restrictions applicable to our showroom operations, resumption of operational activities post lockdown and result of extensive marketing drives undertaken.

- Increase in revenue from the Retail Sale of Gold Ornaments by 13.43% (by ₹ 1,565.33 million) from ₹ 11,657.09 million in FY 2020-21 to ₹ 13,222.42 million in FY 2021-22;
- Increase in revenue from Retail Sale of Gold (Exchange Gold) by 26.76% (by ₹ 409.34 million) from ₹ 1,529.57 million in FY 2020-21 to ₹ 1,938.91 million in FY 2021-22;
- Increase revenue from Retail Sale of Silver Articles by 49.50% (by ₹ 224.78 million) from ₹ 454.11 million in FY 2020-21 to ₹ 678.89 million in FY 2021-22;
- Increase in revenue from Retail Sale of Platinum Ornaments by 11.82% (by ₹ 1.05 million) from ₹ 8.91 million in FY 2020-21 to ₹ 9.96 million in FY 2021-22;
- Increase in revenue from Retail Sale of Diamond by 59.37% by (₹ 242.29 million) from ₹ 408.11 million in FY 2020-21 to ₹ 650.40 million in FY 2021-22;
- Increase in revenue from Retail Sale of Stones by 60.62% (by ₹ 163.66 million) from ₹ 269.95 million in FY 2020-21 to ₹ 433.61 million in FY 2021-22 million;
- Decrease in revenue from Retail Sale of Others by 37.21%, (by ₹ 2.96 million) from ₹ 7.94 million in FY 2020-21 to ₹ 4.99 million in FY 2021-22.

Other income: Our other income reduced by 60.66% to ₹37.80 million for the financial year 2021-22 from ₹ 96.09 million for the financial year 2020-21 mainly due to decrease in Liability written back by ₹ 26.03 million in compliance of INDAS 116 for discontinuance of showrooms under pipeline at Vijayawada and Gachibowli, Net gain on foreign currency transactions and translations by ₹ 31.01 million on account of sell-off of forward covers, lease rental concessions by ₹ 5.40 million and from others by ₹ 1.35 million.

Total Expenses

Our total expenses increased by 16.75% to ₹ 16,392.87 million for the financial year 2021-22 from ₹ 14,041.17 million for the financial year 2020-21, primarily on account of increase in sales and consequent increase cost of material consumed, purchase of stock-in-trade and reduced inventories in the during the FY 2021-22:

Cost of material consumed:

Our cost of material consumed increased by 19.87% to ₹ 9,766.08 million for the financial year 2021-22 from ₹ 8,147.34 million for the financial year 2020-21. The increase was in line with the increase in overall revenue of the Company.

Purchase of stock-in-trade:

Our purchases of stock-in-trade increased by 34.48% to ₹ 6,251.53 million in the financial year 2021-22 from ₹ 4,648.62 million in the financial year 2020-21 due to increase in scale of operations.

Changes in inventories:

Our changes in inventories reduced by 1797.71% to ₹ (1,155.81) million in the financial year 2021-22 from ₹ (60.91) million in the financial year 2020-21 on account of increase in sales.

Employee benefits expense:

Our employee benefits expense increased by 27.70% to ₹ 356.17 million for the financial year 2021-22 from ₹ 278.91 million for the financial year 2020-21 including an increase in salary and wages from ₹230.45 million in FY 2021 to ₹303.82 million, an increase in Director`s remuneration from ₹16.43 million to ₹ 22.59 million and a decrease in staff welfare expenses from ₹12.92 million to ₹9.20 million. During the financial year 2020-21, on account of the Covid19 pandemic, the Company had adopted several cost rationalisation measures including reduction in salaries of the staff and management. Subsequently, on returning to normalcy, the salaries were restored and/or increased. Further, on account of the prevailing COVID19 pandemic such as limiting staff capacity, work from home, etc expenses pertaining to staff welfare travel decreased.

Finance costs:

Our finance costs reduced by 2.12% to ₹ 416.33 million for the financial year 2021-22 from ₹ 425.34 million for the financial year 2020-21. Decrease in our finance cost was mainly due to decrease in Interest on lease rental discounting by ₹ 12.5 million and Interest on working Capital Loans by ₹ 43.38 million on account of reduction in bank interest rates and increase in Interest on Term Loans by ₹ 43.16 million on account of fresh GECL loans availed at the end the previous financial year and during the financial year 2021-22.

Depreciation and amortisation expense:

Our depreciation and amortisation expense decreased by 1.19% to ₹ 86.94 million for the financial year 2021-22 from ₹ 87.98 million for the financial year 2020-21.

Other expenses:

Our other expenses increased by 30.70% to ₹ 671.64 million for the financial year 2021-22 from ₹ 513.88 million for the financial year 2020-21. The increase was majorly on account of increase in Job Work Charges by ₹ 82.56 million, Rent by ₹ 16.81 million, Repairs and maintenance on Plant and Equipment by ₹ 3.61 million, Rates and Taxes by ₹ 5.24 million, Legal and Professional Charges by ₹ 7.42 million, Advertisement Expenses by ₹ 26.51 million, Discount allowed by ₹ 18.22 million, Provision for doubtful trade receivable by ₹ 3.54 million, Bank Charges by ₹ 3.39 million, Credit Card Service Charges by ₹ 7.55 million and Miscellaneous expenses by ₹ 4.15 million.

***Profit before exceptional item and tax*:**

Our profit before exceptional items and tax increased by 49.54% to ₹ 584.12 million for the financial year 2021-22 from ₹ 390.62 million for the financial year 2020-21.

***Profit before tax*:**

Our profit before tax increased by 109.91% to ₹ 584.12 million for the financial year 2021-22 from ₹ 278.28 million for the financial year 2020-21. During the financial year 2020-21, the Company had written-of the expenses of ₹ 112.34 million incurred in setting up of the showrooms at Vijayawada and Gachibowli on account of uncertainty on State capital at Vijayawada along with market instability due to the COVID pandemic at both Vijayawada and Gachibowli. The increase in revenue was higher than increase in expenses leading to increase in overall profitability (profit before tax as a % of total revenue was 3.44% for the financial year 2021-22 as against 1.93% for the financial year 2020-21). The increase in revenue was higher than increase in expenses leading to increase in overall profitability (profit before tax as a % of total revenue was 3.44% for the financial year 2021-22 as against 1.93% for the financial year 2020-21). This was due to the efforts taken by the management towards new marketing techniques and methods for increase in sales, managing inventory in an efficient manner and also increase in sales from the e-commerce platform and various efforts taken for controlling costs.

***Tax expenses*:**

Our tax expenses increased by 107.76% to ₹ 147.32 million for the financial year 2021-22 from ₹ 70.91 million for the financial year 2020-21

***Profit for the year*:**

Due to reasons mentioned above, our profit for the year increased by 110.64% to ₹ 436.79 million for the financial year 2021-22 from ₹ 207.37 million for the financial year 2020-21.

Total Comprehensive Income for the Year

Total comprehensive income for the year was ₹ 438.73 million for the financial year 2021-22 as compared to ₹ 209.07 million for the financial year 2020-21.

FINANCIAL YEAR 2020-21 COMPARED WITH FINANCIAL YEAR 2019-20

Total Income

Our total income increased by 12.37% (₹ 1,588.80 million) to ₹ 14,431.79 million for the financial year 2020-21 from ₹ 12,842.99 million for the financial year 2019-20 due to the factors described below:

Revenue from operations:

Our revenue from operations increased by 12.07% (₹ 1,544.40 million) to ₹ 14,335.69 million for the financial year 2020-21 from ₹ 12,791.30 million for the financial year 2019-20, an increase of ₹ 1,544.40 million. This was due to the efforts taken by the management towards new marketing techniques and methods for increase in sales, managing inventory in an efficient manner and also increase in sales from e-commerce platform.

- Increase in revenue from the Retail Sale of Gold Ornaments by 2.83% (₹ 321.01million) from ₹11,336.08 million in FY 2019-20 to ₹ 11,657.09 million in FY 2020-21;

- Receipt of revenue from Retail Sale of Gold (Exchange Gold) of ₹ 1,529.57 million during FY 2020-21, a revenue stream that was non-existent in the prior three financial years;
- Increase revenue from Retail Sale of Silver Articles by 0.16% (₹0.73 million) from ₹ 453.38 million in FY 2019-20 to ₹ 454.11 million in FY 2020-21;
- Decrease in revenue from Retail Sale of Platinum Ornaments by 10.32% (₹ 1.03 million) from ₹9.94 million in FY 2019-20 to ₹ 8.91 million in FY 2020-21;
- Decrease in revenue from Retail Sale of Diamond by 32.76% (₹ 198.82 million) from ₹ 606.93 million in FY 2019-20 to ₹ 408.11 million in FY 2020-21;
- Decrease in revenue from Retail Sale of Stones by 24.46% (₹ 87.40 million) from ₹ 357.35 million in FY 2019-20to ₹ 269.95 million in FY 2020-21 million;
- Decrease in revenue from Retail Sale of Others by 71.24%, (₹ 19.67 million) from ₹ 27.61 million in FY 2019-20 to ₹ 7.94 million in FY 2020-21.

Other income: Our other income increased by 85.91% (₹ 44.40 million) to ₹96.09 million for the financial year 2020-21 from ₹ 51.69 million for the financial year 2019-20 mainly due to increase in Liability written back by 20.66 million to ₹ 26.03 million in FY 2020-21 from ₹5.37 million in FY 2019-20, increase in the Net gain on foreign currency transactions and translations by ₹ 31.13 million, increase lease rental concessions by ₹ 5.40 million and from others by ₹ 15.02 million from ₹ 0.12 million in FY 2019-20 to ₹15.14 million in 2020-21.

Total Expenses

Our total expenses increased by 12.24% (₹ 1,530.84 million) from ₹ 12,510.33 million for the financial year 2019-20 to ₹ 14,041.17 million for the financial year 2020-21, primarily on account of increase in sales during the FY 2020-21:

Cost of material consumed:

Our cost of material consumed increased by 36.78% (₹ 2,190.68 million) from ₹ 5,956.67 million for the financial year 2019-20 to ₹ 8,147.34 million for the financial year 2020-21. The increase was in line with the increase in overall revenue of the company.

Purchase of stock-in-trade:

Our purchases of stock-in-trade decreased by 24.20% (₹ 1,484.39 million) to ₹ 4,648.62 million in the financial year 2020-21 from ₹ 6133.01 million in the financial year 2019-20 due to the Company increasing its work orders places with job workers as against purchasing jewellery on outright basis from our suppliers.

Changes in inventories:

Our changes in inventories increased by 94.98% from ₹ (1,214.15 million) in the financial year 2019-20 to ₹ (60.91) million in the financial year 2020-21 on account of increase in sales.

Employee benefits expense:

Our employee benefits expense decreased by 30.47% (₹ 122.22 million) from ₹ 401.13 million for the financial year 2019-20 to ₹ 278.91 million for the financial year 2020-21, due to decrease in salaries and wages, Directors' remuneration, contribution to Provident fund and ESI, staff welfare expenses and gratuity on account of cost rationalisation measures necessitated by the onset of the COVID19 pandemic in FY 2020-21.

Finance costs:

Our finance costs reduced by 5.75% (₹ 25.96 million) from ₹ 451.31 million for the financial year 2019-20 to ₹ 425.34 million for the financial year 2020-21. Decrease in our finance cost was mainly due to decrease in Interest on lease rental discounting by ₹ 12.88 million, decrease in vehicle loans by ₹ 0.28 million, decrease in interest cost of others by ₹ 13.73 million and increase in Interest on Term Loans by ₹ 6.48 million.

Depreciation and amortisation expense:

Our depreciation and amortisation expense decreased by 1.60% from ₹ 89.41 million for the financial year 2019-20 to ₹ 87.98 million for the financial year 2020-21.

Other expenses:

Our other expenses decreased by 25.84 % to ₹ 513.88 million for the financial year 2020-21 from ₹ 692.96 million for the financial year 2019-20. The decrease was primarily on account of decrease in Rent by ₹ 18.29 million Repairs and maintenance on Building and Plant and Equipment by ₹ 0.99 million, Legal and Professional Charges by ₹ 7.48 million, Advertisement Expenses by ₹ 47.29 million, Other selling and distribution expenses by ₹ 12.07 million, Bank Charges by ₹ 7.00 million and Credit Card Service Charges by ₹ 4.33 million.

***Profit before exceptional item and tax*:**

Our profit before exceptional items and tax increased by 17.42% to ₹ 390.62 million for the financial year 2020-21 from ₹ 332.65 million for the financial year 2019-20.

***Profit before tax*:**

Our profit before tax decreased by 16.35% (₹ 54.38 million) from ₹ 332.65 million for the financial year 2019-20 to ₹ 278.28 million for the financial year 2020-21. During the financial year 2020-21, the Company had written-of the expenses of ₹ 112.34 million incurred in setting up of the showrooms at Vijayawada and Gachibowli on account of uncertainty on State capital at Vijayawada along with market instability due to the COVID pandemic at both Vijayawada and Gachibowli.

***Tax expenses*:**

Our tax expenses decreased by 20.14% from ₹ 88.79 million for the financial year 2019-20 to ₹ 70.91 million for the financial year 2020-21

***Profit for the year*:**

Due to reasons mentioned above, our profit for the year decreased by 14.97% to ₹ 207.37 million for the financial year 2020-21 from ₹ 243.86 million for the financial year 2019-20.

Total Comprehensive Income for the Year

Total comprehensive income for the year was ₹ 209.07 million for the financial year 2020-21 as compared to ₹ 241.94 million for the financial year 2019-20.

CASH FLOW

The table below summaries our cash flows from our Restated Standalone Financial statement for the financial years ended March 31, 2022, 2021 and 2020:

(in ₹ million)

Particulars	Fiscal		
	2022	2021	2020
Net cash generated from/ (used in) operating activities (A)	89.57	(115.07)	331.03
Net cash generated from/ (used in) investing activities (B)	13.03	109.08	(57.07)
Net cash generated from /(used in) financing activities (C)	(255.90)	42.65	(367.80)
Net change in cash and cash equivalent (A+B+C)	(153.30)	36.66	(93.84)
Cash and cash equivalents at the beginning of the year	217.23	180.56	274.40
Cash and cash equivalents at year end of the year	63.92	217.23	180.56

Net Cash Flow from Operating activities

Net cash flow from operating activities comprises cash consumed / generated from operations, increase / decrease in working capital and increase / decrease in non-current / current liabilities.

Financial Year 2021-22

In Financial Year 2021-22, net cash flow generated from operating activities was ₹ 89.57 million. Profit before tax and exceptional items stood at ₹ 584.12 million. Primary adjustments were on account of interest expense of ₹ 403.78 million, depreciation on property, plant and equipment and investment properties of ₹ 68.63 million, amortisation/right off of right to use of ₹ 18.30 million.

Operating cash flows before working capital changes was at ₹ 1071.40 million for Financial Year 2021-22. Primary adjustments included increase in inventories of ₹ 1,259.76 million, which was partially set off by an increase in trade payables of ₹ 297.23 million. Cash generated from operations was ₹ 235.72 million. Income tax paid amounted to ₹ 146.15 million.

Financial Year 2020-21

In Financial Year 2020-21, net cash flow generated from operating activities was ₹ (115.07 million). Net profit before tax and exceptional items stood at ₹ 390.62 million. Primary adjustments were on account of interest expense of ₹ 415.44 million, depreciation on property, plant and equipment and investment properties of ₹ 69.68 million, amortisation/right off of right to use of ₹ 27.44 million, unrealised foreign exchange gain/loss of ₹ (17.25) million.

Operating cash flows before working capital changes was at ₹ 867.26 million for Financial Year 2020-21. Primary adjustments included decrease in trade payables of ₹ 417.13 million, which was partially set off by increase of trade receivables of ₹ (120.02) million. Cash generated from operations was ₹ 95.56 million. Income tax paid amounted to ₹ 98.29 million. Operating cash flow before exceptional items stood at ₹ (2.73) million and set off by exceptional items of ₹ 112.34 million.

Financial Year 2019-20

In Financial Year 2019-20, net cash flow generated from operating activities was ₹ 331.03 million. Net profit before tax and exceptional items stood at ₹ 332.65 million. Primary adjustments were on account of interest expense of ₹ 437.75 million, depreciation on property, plant and equipment and investment properties of ₹ 71.09 million, amortisation/right off of right to use of ₹ 36.92 million, unrealised foreign exchange gain/loss of ₹ 29.73 million.

Operating cash flows before working capital changes was at ₹ 882.83 million for Financial Year 2019-20. Primary adjustments included increase in inventories of ₹ 1,177.07 million, which was partially set off by trade receivables of ₹ 137.63 and trade payables of ₹ 432.76 million. Cash generated from operations was ₹ 508.61 million. Income tax paid amounted to ₹ 177.58 million.

Investing activities

Net cash flow from investing activities comprises proceeds from purchase and sale of fixed assets including capital work-in-progress, sale/adjustment of property, plant and equipment, receipt of interest income and bank balances not considered as cash and cash equivalents.

Financial Year 2021-22

Net cash generated from investing activities was ₹ 13.03 million in Financial Year 2021-22, primarily on account of purchase of property, plant and equipment / CWIP of ₹ (2.00) million, investment properties of ₹ 4.09 million and decrease in deposits ₹ 8.73 million.

Financial Year 2020-21

Net cash generated from investing activities was ₹ 109.08 million in Financial Year 2020-21, primarily on account of sale of property, plant and equipment / CWIP of ₹ 73.96 million and decrease in deposits of ₹ 32.21 million.

Financial Year 2019-20

Net cash used in investing activities was ₹ 57.07 million in Financial Year 2019-20, primarily on account of increased in investment properties of ₹ 108.35 million, which was partially set off by decrease in deposits of ₹ 76.35 million and interest of ₹ 18.32 million received.

Financing activities

Net cash flow from financing activities comprises of impact due to proceeds / repayment of borrowing, interest and financial charges.

Financial Year 2021-22

Net cash used in financing activities in financial year 2021-22 was ₹ 255.90 million, primarily on account of repayment of long-term borrowings of ₹ 99.43 million, principal payment of lease liabilities of ₹ 29.72 million and interest payment of ₹ 369.18 million. This was partially offset by increase in short term borrowings of ₹ 242.44 million.

Financial Year 2020-21

Net cash generated from financing activities in financial year 2020-21 was ₹ 42.65 million, primarily on account of proceeds from long-term borrowings of ₹ 688.01 million, which was partially offset by decrease in short term borrowings of ₹ 229.51 million, principal payment of lease liabilities of ₹ 40.05 million and interest payment of ₹ 375.80 million.

Financial Year 2019-20

Net cash used in financing activities in financial year 2019-20 was ₹ 367.80 million, primarily on account of interest payment of ₹ 357.59 million, principal payment of lease liabilities of ₹ 52.28 million. This was partially offset by increase in short term borrowings of ₹ 43.66 million

INDEBTEDNESS

The following table sets forth certain information relating to our outstanding indebtedness as of August 15, 2022. For further information on our indebtedness, see "Financial Indebtedness" on page 318.

Category of borrowing	Sanctioned amount (in ₹ million) as of August 15, 2022	Outstanding amount (in ₹ million) as of August 15, 2022
Long-term Borrowings (including current maturities)		
Secured	964.60	893.30
Unsecured	450.00	450.00
Sub-Total	**1414.60**	1343.30
Short-term Borrowings		
Secured	3610.00	3242.01
Unsecured		
Sub-Total	**3610.00**	**3242.01**
Total (including current maturities)	**5024.60**	**4585.31**

CAPITAL EXPENDITURES

Our capital expenditure towards additions to fixed assets (property, plant and equipment's and intangible assets) and capital work-in-progress for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 were ₹ 38.93 million, ₹ 32.36 million and ₹ 60.04 million, respectively. The following table sets forth our gross block of fixed assets for the periods indicated:

In ₹ Million

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Plant, Property and Equipment	729.14	690.21	667.09
Intangible Assets	4.66	4.66	4.56
Capital Work in Progress	30.19	65.76	165.62
Total	**763.99**	**760.63**	**837.27**

CONTINGENT LIABILITIES AND COMMITMENTS

The following table sets forth our contingent liabilities as per Ind AS 37 for the years indicated. We expect that such commitments and liabilities will not have any material effect on our liquidity and cash flows in future years.

In ₹ million

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(a) Contingent liabilities			
Income tax (AY 2013-14) $	69.91	**-**	**-**
Civil Suit - Case No: OS/400/2014	8.85		
Service Tax*			
From 01.06.07 to 31.03.10	-	-	2.61
Total (a)	78.76	-	2.61

Due to untimely demise of Sri Mr. Manoj Kumar Grandhi, who was the Karta of our promoter Manoj Kumar Grandhi (HUF) (now Grandhi Bharata Mallika Ratna Kumari (HUF)) ("HUF"), the bank account of the HUF had to be closed and operations of the HUF inevitably stopped. Due to the same, the cash collections in the HUF was stopped, and thereafter deposited in the bank account of our Company as a temporary safety measure, and necessary accounting was carried out in the HUF including transfer entries. The Deputy Commissioner of Income Tax ("Appellant") passed an order against our Company for recovery of ₹ 69.91 million under Section 271D Income Tax Act, 1961 ("Act") towards alleged violation of Section 269SS of the Act for the Assessment Year 2013-14. The Appellant order was dismissed at The Commissioner of Income Tax (Appeals) on February 25, 2019 and also at Income Tax Appellate Tribunal (ITAT) on November 23, 2020. The Department filed an appeal against the same in the High Court of Andhra Pradesh, principal bench on April 1, 2021. The case is under admission level at High Court.

The above matter relating to imposition of penalty U/s.78 of Finance Act, 1994 was pending before Hon'ble CESTAT, Bangalore. The case is squashed in favour of the Company under Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019.

M/s Hotel Jyothi Swaroopa, a registered partnership firm ("**Complainant**") has filed a petition dated July 4, 2014 before the IInd Additional District Court at Visakhapatnam against our Company for alleged failure to lease the property held by the Complainant. The brief facts of the case are that our Company was desirous of leasing the property held by the Complainant, and had entered into a term sheet with the Complainant for this purpose on September 5, 2011. Our Company made certain advance payments amounting to ₹ 1,100,000/- to the Complainant in terms of the aforesaid term sheet, and the Complainant started undertaking certain renovations to the aforesaid property as per the requirements of our Company. Pursuant to the term sheet, a lease agreement was prepared containing the terms of the lease by our Company. However, the said lease agreement was only executed by the Complainant and our Company did not execute the same. Due to certain factors, including the untimely demise of Mr. Manoj Kumar Grandhi, and the failure of the Complainant to satisfactorily prove the property ownership title of the Complainant, our Company terminated the term sheet and cancelled the lease agreement. In light of the same, the Complainant has filed this petition for recovery of the amounts that they have allegedly spent towards the renovations of the aforesaid property, which they claim amounts to ₹ 8,854,000/-, along with interest of 18% from the date of the petition. Our Company has, on December 1, 2014 filed a counter claim petition against the Complainant for recovery of the advance paid by our Company to the Complainant, with an interest of 24% per annum, amounting to ₹ 1,867,066/- as on the date of filing of the counter claim petition, plus interest amounting to 24% per annum till the realisation of the said amount by our Company. The matter is currently pending.

(in ₹ million)

Particulars	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2020
(b) Commitments			

(i) Estimated amount of contracts remaining to be executed on capital account (net of capital advances)	2.32	1.04	4.87
(ii) Estimated amount of contracts remaining to be executed on account of other purchase commitments	-	-	-
Net Capital Commitments - Total (b)	2.32	1.04	4.87
Total (a) + (b)	**81.08**	**1.04**	**7.48**

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Credit Risk

Credit risk is the risk of financial loss to the Company, if a customer or the counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from its investing activities, including deposits with banks. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables

Our Company's business is predominantly on 'cash and carry' basis which is largely through cash and credit card collections. The credit risk on such credit card collections is minimal, since they are primarily owned by customers' card issuing banks. Credit risk exposure for institutional customers and credit sales are managed by our Company by credit worthiness checks. Our Company also carries credit risk on lease deposits with landlords for showrooms taken on lease, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds of deposits after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

Other Financial Assets

Credit risk on cash and cash equivalent and other bank balances is limited as our Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Liquidity Risk

Our Company faces the risk that it may not have sufficient cash flows to meet its operating requirements and its financing obligations when they come due. Our Company manages its liquidity profile through the efficient management of existing funds and effective forward planning for future funding requirements. Going forward, and to the extent it is able to do so, our Company intends to primarily use internally generated funds to meet its financing requirements.

Market Risk

We are exposed to various types of market risks during the normal course of business. Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Product Price Risk

Our Company may enter into contracts to purchase gold wherein we have the option to fix the purchase price based on market price of gold during a stipulated time period. The prices are linked to gold prices. Accordingly, these contracts are considered to have an exposure to price risk arising from the borrowings at the reporting date. The carrying value of inventory which are designated under this contract are measured at fair value at each reporting date and therefore, payment is sensitive to changes in gold price.

Currency Risk

Our Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

Interest Rate Risk

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. The interest rate on the Company's financial instruments is based on market rates. The Company monitors the movement in interest rates on an ongoing basis.

Inflation

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Related Party Transactions

We have engaged in the past, and may engage in future, in transactions with related parties, including with our affiliates and certain key management members on an arm's lengths basis. Such transactions are ordinarily for payments for professional services, salary or remuneration, payment of rent and loans and advances. For further information, see "***Other Financial Information - Related Party Transactions***" on page 285.

Known Trends or Uncertainties

Other than as described in this Draft Red Herring Prospectus, particularly above and in "***Risk Factors***" on page 32, to our knowledge, there are no trends or uncertainties that have had or are expected to have a material adverse impact on our income from continuing operations, on our results of operations or financial condition.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no events or transactions that may be described as "unusual" or "infrequent".

Seasonality of Business

Our business exhibits seasonality with relatively higher revenues recorded during the festive periods compared to other periods.

Future Relationship between Costs and Income

Other than as described above and in "***Risk Factors***" on page 32, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Significant Dependence on a Single or Few Customers

We have a wide customer base and our business is not dependent on any single or few customers. For more information, see "***Our Business***" on page 159.

Segment Reporting

The Company is primarily engaged in the business of retail trade through retail and departmental stores facilities, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting business segment. There are no material individual markets outside India and hence the same is not disclosed for geographical segments for the segment revenues or results or assets.

Competitive Conditions

For information on our competitive conditions and our competitors, see "***Risk Factors***" and "***Our Business***" on pages 32 and 159, respectively.

STATUS OF ANY PUBLICLY ANNOUNCED NEW PRODUCTS OR BUSINESS SEGMENTS

Except as disclosed in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

AUDITOR`S OBSERVATIONS

Our Statutory Auditors have included certain emphasis of matters in relation to our Company in our Restated Financial Information. The previous auditor of the Company has included the following emphasis of matters in their Audit Report for the financial years ended March 31, 2021 and March 31, 2020, which do not require any adjustment to the Restated Financial Information:

"The Developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society, as well as on the operational and financial performance of all organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The company is confronted with this uncertainty as well, which has been disclosed in the Note 38 to the financial statements. We draw attention to these disclosures. Our opinion is not modified in respect of this matter."

Note No. 38 of the Financial Statements for the year ended March 31, 2021 and March 31, 2020 reads as under:

"In assessing the recoverability of receivables, realization of inventories, other current assets and intangible assets, and certain fixed assets, the Company has considered internal and external information up to the date of approval of these financial statements. The Company has evaluated recoverability and realization of assets based on current indicators of future economic conditions and expects to recover and realize the carrying amount of these assets. The impact of the global health pandemic may be different estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material charges to future economic conditions.

SIGNIFICANT RECENT DEVELOPMENTS

Except for opening of a new showroom in Tuni, Andhra Pradesh on May 2022, launching the purchase advance scheme from June 2022 and issuance of bonus shares in the ratio of 3:1 to its existing shareholders on August 2022, no circumstances have arisen since March 31, 2022, which may materially and adversely affect or are likely to affect, our results of operations and profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

CAPITALISATION STATEMENT

Particulars	Pre-Issue as at March 31, 2022	Adjusted for the post-Issue*
Borrowings		
Short term debt (excluding current maturities)	3562.74	**[●]**
Long term debt (including current maturities)	1214.60	**[●]**
Total borrowings	4777.34	**[●]**
Shareholders' funds		
Share capital	97.70	**[●]**
Other Equity	2630.89	**[●]**
Total shareholders' funds	2728.59	**[●]**
Ratio: Total borrowings / Total Equity	1.75	**[●]**

•These terms shall carry the meaning as per Schedule III of the Companies Act.

** To be updated upon finalization of the Offer Price.*

Notes:
1. The above statement has been prepared on the basis of the restated financial information for the year ended on March 31, 2022.
2. The corresponding post offer capitalisation data for each of the amount in the above table is not determinable at this stage pending the completion of book building process and hence the same have not been furnished.

FINANCIAL INDEBTEDNESS

Our Company has entered into financing arrangements in the ordinary course of its business with various banks, including borrowings in the form of term loans and other working capital facilities to meet working capital requirements. Further, our Company has availed unsecured borrowings from our Promoter and Bharat Mallika Ratna Kumari Grandhi. For details regarding the borrowing powers of our Board, please see "Our Management – Borrowing Powers" on page 207. Our Company has obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, including, inter alia, effecting a change in our shareholding pattern, effecting a change in the composition of our Board, and amending our constitutional documents.

The Company has entered into Working Capital Consortium Agreement on October 28, 2021 with State Bank of India, the Lead Bank, and 5 other banks namely Union Bank of India, Axis Bank, HDFC Bank, Canara Bank and Federal Bank.

The Company has received santion letters from HDFC Bank vide sanction letters dated January 18, 2021 and March 09, 2022; Federal Bank vide sanction letter dated March 1, 2021; and Union Bank vide sanction letter dated February 14, 2022.

Set forth below is a brief summary of our aggregate borrowings as of August 15, 2022:

Category of borrowing	Sanctioned amount (in ₹ million) as of August 15, 2022	Outstanding amount (in ₹ million) as of August 15, 2022
Long-term Borrowings (including current maturities)		
Secured	964.60	893.30
Unsecured	450.00	450.00
Sub-Total	**1414.60**	1343.30
Short-term Borrowings		
Secured	3610.00	3242.01
Unsecured	-	-
Sub-Total	**3610.00**	**3242.01**
Total (including current maturities)	**5024.60**	**4585.31**

As certified by Sagar&Associates, Chartered Accountants, pursuant to their certificate dated September 03, 2022.

Principal terms of the subsisting borrowings of our Company:

1. ***Interest***:

   Below are the floating interest rates on the facilities of the Company:

Sl. No.	Basis	Spread (Basis Points)
1	MCLR	60 to 265
2	Repo	275 to 515

2. ***Tenor***: The tenor of the facilities availed by our Company typically ranges between:
   Emergency Credit Line Guarantee Schemes: 60 months to 72 months including moratorium periods
   Cash credit/ WCDL: 12 months or on demand, whichever is earlier.

3. ***Security***: Our borrowings, where applicable, are secured by:

   (a) Equitable mortgage over free hold land and building thereon;
   (b) Hypothecation of movable assets such as that on vehicles, equipment and machinery;
   (c) Fixed Deposits

In addition to the above, our Promoters Bharata Mallika Ratna Kumari Grandhi, Grandhi Sai Keerthana and Grandhi Sai Sindhuri have given personal guarantees in favour of our Company to certain lenders.

4. ***Prepayment***: As per the terms of certain facilities availed by our Company, we can prepay amounts outstanding on payment of certain prepayment penalty/interest rate. However, certain facilities require prior consent of the lender for prepayment.

5. ***Repayment:*** The facilities available by our Company are repayable as per the repayment schedule mentioned in respective facilities.

6. ***Restrictive Covenants***: Certain of the loans availed by our Company contain certain restrictive covenants which require prior approval of the lender, or prior intimation to be made to the lender, for certain specified events or corporate actions, *inter alia*:

   (a) Effect any change in the capital structure;
   (b) All future borrowings and personal guarantees shall be with the prior written consent of the banks;
   (c) Implement any scheme of merger, amalgamation, merger, de-merger, buy-back, compromise or reconstruction;
   (d) Implement any change in nature of business, scheme of expansion, modernization, diversification or renovation.
   (e) Any new project, scheme of expansion, modernization, acquisition, renovation or diversion of working capital;
   (f) permit any change in the ownership or control of the Borrower whereby the effective beneficial ownership or control of the Borrower shall change;
   (g) effect any material change in the management of the business of the Borrower or shareholding pattern;
   (h) any drastic change in the management set-up including resignation of promoter directors (including key managerial personnel);
   (i) any event likely to have a substantial effect or adverse effect on their profit or operations or business;
   (j) Induction of a person, into its Board of Directors, who is a promoter or director on the Board of a company which has been identified as a willful defaulter or a person who has been declared as a willful defaulter by any bank/financial institution.
   (k) any amendments in the Borrower's Memorandum and Articles;
   (l) Change/ cease/ retire from/ terminate/ resign from the present employment/ profession/business; or change, terminate or open any bank account;
   (m) Undertake any trading activity other than the sale of products arising out of its own manufacturing operations.
   (n) Invest by way of share capital or lend or advance funds to or place deposits with any other concern including sister/ associate/ family/ subsidiary/ group concern,
   (o) Undertake guarantee obligations on behalf of any other company, firm or person.
   (p) Effect any change in the remuneration payable to the directors/partners etc. either in the form of sitting fees or otherwise.
   (q) Enter into borrowing arrangements either secured or unsecured with any other bank, financial institution, company or person.
   (r) The Borrower not being in default under any financial obligation to any bank or institution in the past.
   (s) Agree/ authorise to settle any litigation/arbitration that has material adverse effect.

   This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company.

7. ***Cross default:*** In the instance of cross default, certain lenders obtain rights such as right to appoint nominee directors, terminate loan agreements, recall facility and recover balance claim from our Company.

8. ***Events of default***: In terms of our facility agreements and sanction letters the following, among others, constitute events of default:

   (a) Failure or inability to pay amount on due dates;
   (b) Breach of any covenant, condition, agreement in the loan/facility agreement;
   (c) If there is any deterioration or impairment of the Secured Assets, decline or depreciation in the value or market price thereof causing the security in the judgment of the bank to become unsatisfactory as to character or value;
   (d) If any attachment, distress, execution or other process against the Borrower/its assets/bank accounts, or any of the Secured Assets is threatened, enforced or levied upon by any person;
   (e) False or misleading representation furnished by our Company;
   (f) Liquidation, winding up or dissolution of our Company without prior written consent or appointment of a receiver on the secured assets;
   (g) If the Borrower ceases or threatens to cease or carry on its business;

(h) If the liabilities of the Company exceed the Company's assets or that the Company is carrying on business at a loss;
(i) If the Borrower, without prior written consent of the attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over the Company's property;
(j) any substantial change in the constitution or management of the Company without previous written consent of the bank or the management of the ceasing to enjoy the confidence of the bank;'
(k) Utilising loan amount for any purpose other than the purpose such loan is sanctioned for; or
(l) Any other event or circumstance that could have a material adverse effect on the lender.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company.

9. ***Consequences of occurrence of events of default:*** The consequences of occurrence of events of default under our facility agreements and sanction letters are, among others, as follows, whereby the lenders may:

(a) Terminate the facility/ loan agreements;
(b) Suspend further access to/drawals by our Company of the facilities;
(c) Take possession of the security;
(d) Declare any or all amounts under the facility, either whole or in part, as immediately due and payable to the lender;
(e) Seek additional interest.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us. See "Risk Factors – We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, suspension of further drawdowns, which may adversely affect our business, results of operations and financial condition" on page 36.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below, there are no outstanding (i) criminal proceedings involving our Company, Group Companies, Directors, or Promoters ("**Relevant Parties**"); (ii) actions by statutory or regulatory authorities involving the Relevant Parties; (iii) outstanding claims relating to direct and indirect taxes involving the Relevant Parties; and (iv) other pending litigation as determined to be material by our Board pursuant to the Materiality Policy (as disclosed herein below). There are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.*

For the purposes of (iv) above in terms of the Materiality Policy adopted by a resolution of our Board dated August 22, 2022:

(a) *any outstanding civil litigation involving the Relevant Parties, which exceed the amount of ₹ 4.36 million (being 1% of the profits after tax as per the Restated Financial Information of the Company for the Financial Year 2022) have been considered material.*

Accordingly, disclosures of the following types of litigation involving the Relevant Parties have been considered material and accordingly disclosed, as applicable, (a) where the aggregate amount involved in such individual civil litigation (including tax proceedings) exceeds the relevant monetary threshold disclosed above, individually; (b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed the relevant monetary threshold; (c) where the monetary liability is not quantifiable, but where the outcome of such legal proceedings could have a material adverse effect on the business, operations, financial position, prospects or reputation, results of operations or cash flows of our Company.

For the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that any of the Relevant Parties is impleaded as a defendant in litigation before any judicial or arbitral forum.

Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' to whom the amount due is equal to or in excess of 5% of the total trade payables of our Company as of the end of the most recent period covered in the Restated Standalone Financial Information. The consolidated trade payables of our Company as on March 31, 2022 was ₹ 886.05 million. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 44.30 million as of March 31, 2022.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

Litigation involving our Company

Litigation against our Company

A. Outstanding criminal proceedings

Nil

B. Actions initiated by regulatory or statutory authorities

Nil

C. Outstanding material civil litigation

<u>Case No: OS/400/2014</u>

M/s Hotel Jyothi Swaroopa, a registered partnership firm ("**Complainant**") has filed a petition dated July 4, 2014 before the II[nd] Additional District Court at Visakhapatnam against our Company for alleged failure to lease the property held by the Complainant. The brief facts of the case are that our Company was desirous of leasing the property held by the Complainant, and had entered into a term sheet with the Complainant for this purpose on September 5, 2011. Our Company made certain advance payments amounting to ₹ 1,100,000/- to the Complainant in terms of the aforesaid term sheet, and the Complainant started undertaking certain renovations to the aforesaid property as per the requirements of our Company. Pursuant to the term sheet, a lease agreement was prepared containing the terms of the lease by our Company. However, the said lease agreement was only executed by the Complainant and our Company did not execute the same. Due to certain factors, including the untimely demise of Mr. Manoj Kumar Grandhi, and the failure of the Complainant to satisfactorily prove the property ownership title of the Complainant, our Company terminated the term sheet and cancelled the lease agreement. In light of the same, the Complainant has filed this petition for recovery of the amounts that they have allegedly spent towards the renovations of the aforesaid property, which they claim amounts to ₹ 8,854,000/-, along with interest of 18% from the date of the petition. Our Company has, on December 1, 2014 filed a counter claim petition against the Complainant for recovery of the advance paid by our Company to the Complainant, with an interest of 24% per annum, amounting to ₹ 1,867,066/- as on the date of filing of the counter claim petition, plus interest amounting to 24% per annum till the realisation of the said amount by our Company. The matter is currently pending.

Litigation by our Company

A. Outstanding criminal proceedings

Nil

B. Outstanding material civil litigation

NIL

Other Matters

Litigation involving our Subsidiaries

Our Company does not have any subsidiary.

Litigation involving our Promoters

Litigation against our Promoters

A. Outstanding criminal proceedings

NIL

B. Actions initiated by regulatory or statutory authorities

NIL

C. Outstanding material civil litigation

NIL

Litigation by our Promoters

A. Outstanding criminal proceedings

NIL

B. Outstanding material civil litigation

Case No CC No. 34/2014

Our Promoter Bharata Mallika Ratna Kumari Grandhi and others has filed a complaint dated February 5, 2014, before the National Consumer Disputes Redressal Commission, New Delhi, against Carzone Rent (India) Private Limited (Defendant 1) and others ("**Defendants**") towards gross negligence and deficiency of service by the Defendants which resulted in the death of our founder Mr. Manoj Kumar Grandhi, being the late husband of our Promoter, Bharata Mallika Ratna Kumari Grandhi. Mr. Manoj Kumar Grandhi travel to Bangalore and was using the car rental services of the Defendant 1, and on the morning of February 7, 2012, the driver of the car used by Mr. Manoj Kumar Grandhi, along with his two friends committed the gruesome murder of Mr. Manoj Kumar Grandhi, and thereafter proceeded to steal the bag of him containing jewellery worth ₹ 30,000,000/-. Mr. Manoj Kumar Grandhi was the sole breadwinner of our Promoters family, and his death has caused immense suffering and hardship to our Promoters family. Based on the aforementioned, along with the loss of usual earnings of our founder based on his income tax returns for the last 5 years and loss of stolen articles, our Promoter and other members of our Promoters family have claimed an amount of ₹ 1,500,000,000/- together with interest at 12% per annum from the date of the incident till date of recovery, against the Defendants, who are vicariously liable for the actions of the driver of the Defendant 1. The matter is currently pending.

Litigation involving our Directors

Litigation against our Directors

A. *Outstanding criminal proceedings*

NIL

B. *Actions initiated by regulatory or statutory authorities*

NIL

C. *Outstanding material civil litigation*

NIL

Litigation by our Directors

A. *Outstanding criminal proceedings*

Nil

B. *Outstanding material civil litigation*

Nil

Outstanding litigation involving our Group Company which has a material impact on our Company

Litigation against our Group Company

A. *Outstanding criminal proceedings*

NIL

B. *Actions initiated by regulatory or statutory authorities*

NIL

C. *Outstanding material civil litigation*

Case No: (a) Original Case - O.S. 437/2012; (b) Appeal in HC - A.S. 126/2021

M/s Andhra Pradesh State Road Transport Corporation ("**Complainant**") filed a petition before the IInd Additional District Court at Visakhapatnam against our Group Company Vaibhav Hotels & Leisures (Visakhapatnam) Private Limited, for alleged non-payment of licensing fees and property tax to the Complainant. The brief facts of the case are that our Group Company, entered into a license agreement with the Complainant to utilise and develop certain property of the Complainant situated at Dwaraka bus station complex, Visakhapatnam. The Complainant alleged that our Group Company failed to develop the licensed/leased property, and further failed to pay property tax on the licensed/leased property as per the terms of the aforesaid license agreement. The aforesaid petition was filed by the Complainant for recovery of ₹ 7,304,836/- from our Group Company. Our Group Company contended that due to the very nature of the commercial understanding between the parties, the aforesaid license agreement was in the nature of a lease agreement. Further our Group Company has contended that as the Complainant failed to lease certain portion of the aforesaid property, and further that the property tax on the aforesaid property was payable by the Complainant and our Group Company was liable to pay property tax only that portion of the property that it develops, and since it did not develop any portion of the property, it was not liable to pay the afore claimed amounts, and that the petition of the Complainant is invalid and unenforceable. The IInd Additional District Court has passed a judgement in favour of the Complainant stating that our Group Company is liable to pay to the Complainant, a sum of ₹ 6,147,301/-, along with interest of 12% per annum from the date of the suit till the date of the decree and at 6% per annum from the date of the decree till the date of realisation of ₹ 5,172,072/-. Aggrieved by this judgement of the II[nd] Additional District Court, our Group Company has filed an appeal in the High Court of Andhra Pradesh at Amaravathi. The matter is currently pending.

Litigation by our Group Company

A. Outstanding criminal proceedings

Nil

B. Outstanding material civil litigation

Nil

Tax Proceedings

Except as disclosed below, there are no outstanding tax proceedings involving the Relevant Parties:

(a) Appeal against the order before the Commissioner of Income Tax (Appeals), Visakhapatnam –No.56/2018-19/CIT(A)-3/VSP/2018-19, (b) IT Appellate Tribunal – I.T.A.No.275/Viz/2019, (c) Appeal in High Court - Filing Number - 11028/2021.

The Deputy Commissioner of Income Tax ("**Appellan**t") passed an order against our Company for recovery of ₹ 69,912,850/- under Section 271D Income Tax Act, 1961 ("**Act**") towards alleged violation of Section 269SS of the Act for the Assessment Year 2013-14. The brief facts of the case are that due to untimely demise of Mr. Manoj Kumar Grandhi, who was the Karta of our promoter Manoj Kumar Grandhi (HUF) (*now Grandhi Bharata Mallika Ratna Kumari (HUF))* ("**HUF**"), there were certain difficulties in carrying out the business operations of our Company. As Mr. Manoj Kumar Grandhi was the Karta of the HUF, the bank account of the HUF had to be closed and operations of the HUF inevitably stopped. Due to the same, the cash collections in the HUF was stopped, and thereafter deposited in the bank account of our Company as a temporary safety measure, and necessary accounting was carried out in the HUF including transfer entries. Aggrieved by the order of the Appellant, our Company filed an appeal against the order before the Commissioner of Income Tax (Appeals), Visakhapatnam. The Commissioner of Income Tax (Appeals) dismissed the order passed by the Appellant on February 25, 2019. Aggrieved by the order of the Commissioner of Income Tax (Appeals), the Appellant filed an appeal against the same before the Income Tax Appellate Tribunal, Visakhapatnam, who upheld the order passed by the Commissioner of Income Tax (Appeals) and on November 23, 2020, dismissed the appeal filed by the Appellant. Aggrieved by the order of the Income Tax Appellate Tribunal, the Appellant filed an appeal against the same in the High Court of Andhra Pradesh, principal bench on April 1, 2021. The matter is currently pending for admission.

(b) Appeal against the order before the Commissioner of Income Tax (Appeals), Visakhapatnam – ITANo.257/2016-17/CIT(A)-3/VSP/2017-18 and ITA No.241/2016-17/CIT(A)-3/VSP/2017-18, (b) IT Appellate Tribunal – I.T.A.No.51&52/Viz/2018, (c) Appeal in High Court - Filing Number - 467/2019.

The Deputy Commissioner of Income Tax ("**Appellan**t") passed an order against our Promoter Grandhi Bharata Mallika Ratna Kumari (HUF) for demand of ₹ 65,630,550/- by invoking Sections 147 and 148 of the Income Tax Act, 1961 ("**Act**") for the Assessment Years 2010-11 and 2014-15 respectively. The brief facts of the case are that the Income Tax department conducted a survey on a supplier who once supplied goods to our Promoter. The Income Tax department came across our Promoter's name in the suppliers list. The Income Tax department issued notice to our Promoter claiming that our Promoter allegedly escaped the payment of taxes due to be payable from the trade with the supplier. Our Promoter responded by stating that the supplied goods were accounted and sold in due course, and returns of income evidencing the same were filed by our Promoter, which were ignored by the Appellant. Aggrieved by the order of the Appellant, our Promoter filed an appeal against the order before the Commissioner of Income Tax (Appeals), Visakhapatnam. The Commissioner of Income Tax (Appeals) dismissed the order passed by the Appellant on October 31, 2017. Aggrieved by the order of the Commissioner of Income Tax (Appeals), the Appellant filed an appeal against the same before the Income Tax Appellate Tribunal, Visakhapatnam, who upheld the order passed by the Commissioner of Income Tax (Appeals) and on August 21, 2018, dismissed the appeal filed by the Appellant. Aggrieved by the order of the Income Tax Appellate Tribunal, the Appellant filed an appeal against the same in the High Court of Andhra Pradesh, principal bench on January 21, 2019. The matter is currently pending for admission.

(c) Appeal against the order before the Commissioner of Income Tax (Appeals), Visakhapatnam –No.97/2018-19/CIT(A)-3/VSP/2018-19, (b) IT Appellate Tribunal – I.T.A.No.334/Viz/2019, (c) Appeal in High Court - Filing Number - 11029/2021.

The Deputy Commissioner of Income Tax ("**Appellan**t") passed an order against our Promoter Grandhi Bharata Mallika Ratna Kumari (HUF) demanding the payment of tax amounting to ₹ 94,897,130 based on an amount of ₹174,958,335/- which was declared by the Appellant as a deemed dividend under Section 2(22)(e) of the Income Tax Act, 1961 ("**Act**") for the Assessment Year 2015-16. The brief facts of the case are that our Promoter was undertaking certain trades with our Company relating to purchase of gold plan schemes, which in the opinion of the Appellant was viewed as our Promoter accepting loans from the Company, which was required to be brought to tax under Section 2(22)(e) of the Act. Aggrieved by the order of the Appellant, our Promoter filed an appeal against the order before the Commissioner of Income Tax (Appeals), Visakhapatnam. The Commissioner of Income Tax (Appeals) dismissed the order passed by the Appellant on March 13, 2019. Aggrieved by the order of the Commissioner of Income Tax (Appeals), the Appellant filed an appeal against the same before the Income Tax Appellate Tribunal, Visakhapatnam, who upheld the order passed by the Commissioner of Income Tax (Appeals) and on November 23, 2020, dismissed the appeal filed by the Appellant. Aggrieved by the order of the Income Tax Appellate Tribunal, the Appellant filed an appeal against the same in the High Court of Andhra Pradesh, principal bench on April 1, 2021. The matter is currently pending for admission.

Outstanding dues to Creditors

As per the Materiality Policy, creditors to whom an amount exceeding ₹ 44.30 million, which is 5% of the total consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Financial Information, i.e. as of March 31, 2022, were considered 'material' creditors. Based on the above, there are no material creditors of our Company as on March 31, 2022. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006) Material Creditors, and other creditors, as on March 31, 2022, are set out below:

Type of creditors	Number of creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises	1	40.63
Material Creditors	0	NA
Other creditors	244	845.42
Total	**245**	**886.05**

As certified by Sagar & Associates., Chartered Accountants, by way of certificate dated September 03, 2022

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company, at https://www.vaibhavjewellers.com/investor.

It is clarified that information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, https://www.vaibhavjewellers.com would be doing so at their own risk.

Material Developments

Except as otherwise disclosed in "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*", no circumstances have arisen, since the date of last Restated Financial Information disclosed in this Draft Red Herring Prospectus, that could materially and adversely affect or are likely to affect, our trading, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein, we have obtained all material consents, licenses, permissions, registrations and approvals, from various governmental statutory and regulatory authorities, which are necessary for undertaking our current business activities and operations. Except as stated below, no further material approvals from any regulatory authority are required to undertake the Offer or continue such business activities. In the event that any of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. For incorporation details of our Company, see "History and Certain Corporate Matters" on page 192.

For details in connection with the regulatory and legal framework within which our Company and our Group Companies operate, see section "Key Regulations and Policies" on page 183. *For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors – Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, financial condition, cash flows and results of operations." on page 40.*

(a) **Approvals relating to the Offer**

For the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 334.

(b) **Incorporation details of our Company**

1. Certificate of incorporation dated March 13, 1989 issued by the Registrar of Companies, Andhra Pradesh to our Company.

2. Certificate of incorporation dated March 9, 1998 issued by the Registrar of Companies, Andhra Pradesh to our Company on account of the Company becoming a deemed public company.

3. Certificate of incorporation dated September 13, 2002 issued by the Registrar of Companies, Andhra Pradesh to our Company regaining its status as a private limited company.

4. Fresh certificate of incorporation dated June 11, 2003 issued by the Registrar of Companies, Andhra Pradesh, consequent to change of our name from Hotel Anant Private Limited to Vaibhav Empire Private Limited.

5. Fresh certificate of incorporation dated July 4, 2016 issued by the Registrar of Companies, Andhra Pradesh, consequent to change of our name from Vaibhav Empire Private Limited to Manoj Vaibhav Gems 'N' Jewellers Private Limited.

6. Fresh certificate of incorporation dated May 13, 2022 issued by the Registrar of Companies, Vijayawada at Andhra Pradesh, upon conversion of our Company from a private company to a public company and consequent change of name from Manoj Vaibhav Gems 'N' Jewellers Private Limited to Manoj Vaibhav Gems 'N' Jewellers Limited.

(c) **Material Approvals obtained by our Company in relation to our business and operations**

We require various approvals to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements as disclosed below. We have received the following material approvals pertaining to our business:

1. **Approvals in relation to our operations**

(a) The material approvals in relation to our showrooms and centres across Andhra Pradesh and Telangana are set forth below:

Sr. No.	Name of the Approval	Registration/License No.	Date of Effectiveness	Tenure	Date of Expiry	Showrooms of the Company covered under the Registration/License
1	Corporate certificate granted under the Bureau of Indian Standards Act, 2016 (for gold and gold alloys, jewellery/artefacts/fineness and markings)	HM/C-6690026017 (for IS 1417)	March 22, 2019	60 months	March 21, 2024	1-19-71/A - 8/2, Ground Floor, Aishwarya Chambers, Above Ratnadeep Super Market, Rukminipuri Colony, Main Raod, AS Rao Nagar, Hyderabad, Kapra Circle, Medchal (Malkajgiri)
						D.No.16-11-477, Gaddiannaram, Dilsukhnagar, Saroornagar, Rangareddy Dist. - 500035
						47-15-8, 9/1, Pavan Palace, Dwarakanagar, Opp. TSR complex, Ward-15, Visakhapatnam (Urban) - 530016
						Door No:11-1-50, Near Kanyaka Parameswari Temple, Ward - 1, Anakapalle (Urban) Main Road, Anakapalle, Visakhapatnam - 531001
						Door No.13-182, Korada Street Jn., Balijipeta Road, Bobbili - 535558, Vizianagaram Dist.
						Door No. 10-7-110/1, Opp Canara Bank, Cinema Hall Junction, Main Road, Gajuwaka, Ward - 15. Gajuwaka (Urban), Visakhapatnam - 530026
						Door No. 34-1-1, Pulavarthivari Street, Temple Street, OPP: Vijaya Bank, Ward -30, Kakinada (Urban) East Godavari Dist. -533001
						25-1, Main Road, Beside RTC Complex, Ward-1 Parvathipuram (Urban) Vizianagaram Dist. 532501
						D.No. 6-5-85, 6-5-86/1, 1 & 2, Syamala Theatre Jn., Main Road, Ward-21, Rajahmundry, East Godavari Dist. -533101
						Dr. No. 47-15-8, V-Square, Opp. TSR Complex, Ward-15, Visakhapatnam (Urban), Visakhapatnam - 530016

						D No. 4-218/6/1, Gopalapatnam, Ward - 68 Village. Visakhapatnam (U) Mandal, Visakhapatnam Dist - 530027
2	Corporate certificate granted under the Bureau of Indian Standards Act, 2016 (for gold and gold alloys, jewellery/artefacts/fineness and markings)	HM/C-6690449728	August 31, 2022			D.No. 6-7-21/8, South side to Balaji road, Veeravaram, Tuni, East Godhavari Disctrict – 533401, Andhra Pradesh
3	Certificate of registration issued by the British Standards Institution (for procurement and sale of jewellery products)	FS 661519 (for ISO 9001:2015)	December 3, 2019			D.No.47-10-19, V-Empire, 2nd Lane, Dwarakanagar, Visakhapatnam - 530 016, Andhra Pradesh, India
						D.No. 47-15-8, V-Square, Opp. TSR Complex, Visakhapatnam - 530 016, Andhra Pradesh, India
						Main Road Gajuwaka, Visakhapatnam - 530 026, Andhra Pradesh, India
						Temple Street, Kakinada, East Godavari District – 533001, Andhra Pradesh, India
						Symala Jn, Rajamahendravaram East Godavari District – 533101, Andhra Pradesh, India

Shops and Establishment registrations:

Sl. No.	Date of the Certificate	Details of the Showroom
01.	Certificate dated July 28, 2022 issued under the Andhra Pradesh Shops and Establishments Act, 1988	11-1-50, near Kanayaka Parameswari Temple, Main Road, Anakapalle Visakhapatnam Ward-1, Anakapalli (Urban), Visakhapatnam – 531001
02.	Certificate dated July 28, 2022 issued under the Andhra Pradesh Shops and Establishments Act, 1988	13-182, Korada Street Jn, Balijapeta Road, Bobbili Vizianagaram - 535558
03.	Certificate dated July 27, 2022 issued under the Andhra Pradesh Shops and Establishments Act, 1988	47-10-19, 2nd lane, Empire Building, Dwaraka Nagar Dondaparthy Village, Seethammadhara Mandal, Visakhapatnam District - 530016
04.	Certificate dated July 27, 2022 issued under the Andhra Pradesh Shops and Establishments Act, 1988	10-7-110/1, Opp. Canara Bank, Cinema Hall Junction, Main Road, Gujuwaka, Gujuwaka Village, Gujuwaka Mandal, Visakhapatnam District - 530026

05.	Certificate dated July 28, 2022 issued under the Andhra Pradesh Shops and Establishments Act, 1988	34-1-1, Pulavarthivari Street, Temple Sreet, Opp. Vijaya Bank, Kakinada Village, Kakinada (urban) Mandal, Kakinada District – 530016
06.	Certificate dated July 28, 2022 issued under the Andhra Pradesh Shops and Establishments Act, 1988	Door No. 25-1, Beside RTC Complex, Main Road, Paravathipuram Village, Paravathipuram Mandal, Paravathipuram Manyam Disctrict - 532501
07.	Certificate dated July 28, 2022 issued under the Andhra Pradesh Shops and Establishments Act, 1988	6-5-85, 1&2, 6-5-86/1, Syamala Theatre Jn., Main Road, Rajamahendravaram Urban Village, Rajamahendravaram Urban Mandal, East Godhavari District – 533101
08.	Certificate dated July 28, 2022 issued under the Andhra Pradesh Shops and Establishments Act, 1988	45-15-8, Pavan Palace, Opp. TSR Complex, Dwarkanagar, Dondaparthy Village, Seethammadhara Mandal, Visakhapatnam District - 530016
09.	Certificate dated July 27, 2022 issued under the Andhra Pradesh Shops and Establishments Act, 1988	Door No. 4-218/6/1, Gopalapatnam Village, Gopalapatnam Mandir, Visakhapatnam District - 530027
10.	Certificate dated June 27, 2022 issued under the Andhra Pradesh Shops and Establishments Act, 1988	Door No. 6-7-21/B Balaji Road, Veeravaram Village, Tuni Mandal, Kakinada District - 530016
11.	Certificate dated July 29, 2022 issued under the Andhra Pradesh Shops and Establishments Act, 1988	47-15-8, V-Square, Zone-A, Opp. TSR Complex Dondaparthy Village, Seethammadhara Mandal, Visakhapatnam District - 530016
12.	Certificate dated April 6, 2017 issued under the Telangana Shops and Establishments Act, 1988	16-11-477, Gaddiannaram, Dilsukh Nagar, Saroornagar, Rangareddy
13.	Certificate dated July 14, 2022 issued under the Telangana Shops and Establishments Act, 1988	1-19-71/A - 8/2, Ground Floor, Aishwarya Chambers, Above Ratnadeep Super Market, Rukminipuri Colony, Main Raod, AS Rao Nagar, Hyderabad, Kapra Circle, Medchal (Malkajgiri)
14.	Certificate dated August 24, 2019 issued under the Maharashtra Shops and Establishment (Regulation of Employment and Conditions of Service) Act, 2017	53, Sidhapura Ind Estate, Gaiwadi, SV Road, Goregaon (West), Mumbai - 400062

2. Tax related approvals

(a) Permanent Account Number AABCV8928J, issued by the Income Tax Department, Government of India.

(b) Tax Deduction Account Number VPNV00725E, issued by the Income Tax Department, Government of India.

(c) The import export code number is 2698000236, issued by the Director General of Foreign Trade, Government of India.

(d) Our GST registration number in Andhra Pradesh is 37AABCV8928J1ZR.

(e) Our GST registration number in Telangana is 36AABCV8928J1ZT.

(f) Our GST registration number in Maharashtra is 27AABCV8928J1ZS.

3. Labour related approvals

(a) Certificate bearing registration number 70000330340001002 and dated February 24, 2015, issued by the Employees' Provident Fund Organisation, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

(b) Certificate bearing registration number 62700330340011002 and dated July 14, 2014 issued by Employees State Insurance Corporation, India under the Employees State Insurance Act, 1948, for our showroom situated in 34-1-1, Pulavarthyvari street, temple street, Opposite Vijaya Bank, Kakinada, East Godhavari, Andhra Pradesh.

(c) Certificate bearing registration number 70700330340021002 and dated July 4, 2018 issued by Employees State Insurance Corporation, India under the Employees State Insurance Act, 1948, for our showroom situated in 13-182, Korada street Jn., Balijipeta Road, Bobbili, Vizianagaram, Andhra Pradesh.

(d) Certificate bearing registration number 70700330340011002 and dated July 4, 2018 issued by Employees State Insurance Corporation, India under the Employees State Insurance Act, 1948, for our showroom situated in 25-1, Beside RTC Complex, Main Raod, Parvathipuram, Vizianagaram, Andhra Pradesh.

(e) Certificate bearing registration number 52700330340011002 and dated May 25, 2017 issued by Employees State Insurance Corporation, India under the Employees State Insurance Act, 1948, for our showroom situated in 47-10-19, corporate office, 2nd Lane, Dwarakanagar, Vishakapatnam, Andhra Pradesh.

(f) Certificate bearing registration number 6233034101 and dated November 13, 2003 issued by Employees State Insurance Corporation, India under the Employees State Insurance Act, 1948, for our showroom situated in A-1, Pawan Palace, Opp. TSR Complex, Dwarakanagar, Vishakapatnam, Andhra Pradesh.

(g) Certificate of registration bearing number RD.No.DCL/VSP/CL-PE/82/2012 and dated November 19, 2012 issued by the Labour Department, Government of Andhra Pradesh under the Contract Labour (Regulation & Abolition) Act, 1970.

(h) Certificate of registration bearing number No.P.E./338 K dated June 30, 2014 issued by the Deputy Commissioner of Labour, East Godavari, Government of Andhra Pradesh under the Contract Labour (Regulation & Abolition) Act, 1970.

Our Company has obtained registrations in the ordinary course of business for its showrooms and centres across Andhra Pradesh and Telangana under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948.

4. Intellectual property approvals

We have obtained various trademarks registrations in India, including for the logo of our Company under class 14, 35 and 36. Details of such trademarks are provided herein below:

Sl. No.	Trade Mark	Class	Application Number	Renewal Date
1	**Y?**	14	2642570	December 13, 2023
2	**Y?**	35	2642571	December 13, 2023
3		14	2642572	December 13, 2023
4		35	2642573	December 13, 2023
5	**V KIDS**	14	2642574	December 13, 2023
6	**V KIDS**	35	2642575	December 13, 2023
7		14	2642576	December 13, 2023
8		35	2642577	December 13, 2023
9	వైభవ్	14	1572993	June 26, 2027
10		35	1572994	June 26, 2027
11		36	1572990	June 26, 2027
12	VAIBHAV JEWELLERS	14	1572995	June 26, 2027
13		35	1572996	June 26, 2027
14	**VAIBHAV**	14	1572997	June 26, 2027
15	**VAIBHAV**	35	1572998	June 26, 2027
16	**VAIBHAV**	36	1572991	June 26, 2027
17		36	1572992	June 26, 2027

18		35	1620057	November 12, 2027
19		14	3608629	August 8, 2027
20		35	3608630	August 8, 2027
21	VAIBHAV JEWELLERS	14	3608631	August 8, 2027
22		35	3608632	August 8, 2027
23	YEWELRY	14	3661144	October 23, 2027
24	YEWELRY	35	3661145	October 23, 2027
25	VAIBHAV VISMAYA	14	3785969	March 23, 2028
26	VAIBHAV VISMAYA	35	3785970	March 23, 2028
27	VISESHA	14	3785972	March 23, 2028
28	VISESHA	35	3785973	March 23, 2028

29	VISESHA	14	3979719	October 22, 2028
30	VISESHA	35	3979720	October 22, 2028

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board of Directors pursuant to the resolution passed at its meeting dated August 22, 2022 and the Fresh Issue by our Shareholder pursuant to a special resolution passed at their meeting dated August 24, 2022, and this DRHP has been approved by our Board by way its resolution dated September 05, 2022. Our Board of Directors has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholder pursuant to the resolution passed at its meeting dated August 22, 2022. For further details, see "*The Offer*" on page 59.

The Promoter Selling Shareholder has consented to participate in the Offer for Sale by way of consent letter as outlined in the table below:-

Name of the Promoter Selling Shareholder	Number of Offered Shares	Date of consent
Grandhi Bharata Mallika Ratna Kumari (HUF)	4,300,000	August 22, 2022

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●] respectively.

Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, Promoters, Promoter Group, Karta of Grandhi Bharata Mallika Ranta Kumari (HUF), Directors, Promoter Selling Shareholder, the persons in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other governmental authority in India or any other authority/court.

None of the companies with which our Promoter and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Directors are, in any manner, associated with the securities market.

Further, there is no outstanding action initiated by SEBI against any of the Directors of our Company in the past five years preceding the date of this Draft Red Herring Prospectus.

Neither our Company nor our Directors or Promoters have been declared as a 'wilful defaulter' or a 'fraudulent borrower', as defined under the SEBI ICDR Regulations.

Our individual Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018

Further, none of our Company, Promoter or Directors have been declared as a fraudulent borrower by any bank, financial institution or lending consortium, in accordance with the 'Master Directions on Frauds Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, members of Promoter Group and the Promoter Selling Shareholder are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹ 30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets.;

- Our Company has an average operating profit of at least ₹ 150 million, calculated on a restated and consolidated basis, during each of the preceding three years (of 12 months each), with operating profit earned in each of these preceding three years;

- Our Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of 12 months each), calculated on a restated basis; and

- Our Company has not changed its name in the immediately preceding year.

Our Company's operating profit, net worth and net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets are derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Financial Years are set forth below:

Amount (in ₹ Million)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Restated Net tangible assets(1)	2743.21	2297.32	2079.96
Restated Monetary assets(2)	63.92	217.23	180.56
Monetary assets as a % of net tangible assets (%), as restated	2.33%	9.46%	8.68%
Operating Profit, as restated (3)	962.64	719.87	732.27
Net worth(4) as restated	2728.59	2289.86	2080.80

Notes:-

(1) *"Net tangible assets" means the sum of all net assets of the Company as per the Restated Financial Information excluding Intangible Assets (as per IND AS- 38), Deferred Tax Assets (net) (as per IND AS-12) and Right of Use Assets (as per IND AS- 116) reduced by Total Liabilities (excluding lease liabilities) of the Company, as defined under the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015)*
(2) *"Monetary assets" are defined as amount of 'Cash and Cash equivalents' as per the Restated Financial Information, (excluding Fixed deposits with banks not considered as cash and cash equivalent)*
(3) *"Operating Profit" has been calculated as profit before tax add finance cost and less other income.*
(4) *"Net worth" means the aggregate value of paid-up share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, derived from the Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, the Promoters, members of the Promoter Group, the Promoter Selling Shareholder and our Directors are not debarred from accessing the capital markets by SEBI;
(ii) The companies with which our Promoters or our Directors are associated as promoter or director are not debarred from accessing the capital markets by SEBI;
(iii) Neither our Company, nor our Promoters or Directors have been identified as a wilful defaulter or a fraudulent borrower (as defined in the SEBI ICDR Regulations);
(iv) None of our Promoters, to the extent applicable, and Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
(v) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;
(vi) Our Company, along with the registrar to the Company, has entered into tripartite agreements dated February 15, 2022 and February 09, 2022 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;
(vii) The Equity Shares of our Company held by our Promoters and the Promoter Selling Shareholder are in dematerialised form;
(viii) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares existing as on the date of filing of this Draft Red Herring Prospectus; and

(ix) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, as the entire objects of the Offer are proposed to be financed from the Offer proceeds.

Our Company shall not make an Allotment if the number or prospective allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations.

Further, our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

The Promoter Selling Shareholder confirms that the Equity Shares offered by it as part of the Offer for Sale have been held by it in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLMS, BAJAJ CAPITAL LIMITED AND ELARA CAPITAL (INDIA) PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLMS IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE PROMOTER SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 05, 2022 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMS ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All aqpplicable legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors, and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.vaibhavjewellers.com, or the respective websites of our Promoters, Promoter Group or any affiliate of our Company would be doing so at his or her own risk.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoters, their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoters, and their respective directors, officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer from the Promoter Selling Shareholder

The Promoter Selling Shareholder accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.vaibhavjewellers.com, or the respective websites of our Promoters, Promoter Group or any affiliate of our Company would be doing so at his or her own risk. The Promoter Selling Shareholder, their directors, affiliates, associates, and officers accept no responsibility for any statements made in this Draft Red Herring Prospectus, other than those specifically made or confirmed by it in relation to its portion of the Offered Shares.

Bidders will be required to confirm and will be deemed to have represented to the Promoter Selling Shareholder and its respective representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. The Promoter Selling Shareholder and its respective representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their respective constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, 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) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction other than in India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Draft Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Draft Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. 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. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Andhra Pradesh 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 Draft Red Herring Prospectus will be filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft 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 Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Promoter Selling Shareholder since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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 Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or 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 in accordance with applicable laws.

Eligibility and Transfer Restrictions

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

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus will be submitted to the NSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Consents

Consents in writing of the Promoter Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, Banker(s) to the Company, Statutory Auditors, Legal Counsel to the Issue as to Indian law, the BRLMs, the Registrar to the Offer, lenders of our Company (wherever applicable), Technopak, in their respective capacities, have been obtained and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus; and consents in writing of the Syndicate Members, the Banker(s) to the Offer/ Escrow Collection Bank(s)/ Refund Bank(s), Sponsor Bank, to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus with the RoC.

Expert to the Offer

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

Our Company has received written consent dated September 03, 2022 from Sagar & Associates, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) Restated Financial Information and their examination report dated August 22, 2022 relating to the Restated Financial Information; and (ii) their statement of special tax benefits dated August 22, 2022 included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received written consent dated August 22, 2022 from G. Sekhar Reddy, Chartered Engineer, to include his name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in his capacity as the chartered engineer in respect of information certified by him on providing their estimates for the objects of this issue, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues by our Company during the last five years and performance *vis-à-vis* objects

Our Company has not made any public or rights issue during the last five years preceding the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entity during the last three years

Other than as disclosed in “*Capital Structure*” on page 79, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any listed Group Companies, Subsidiary or Associate.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

No sum has been paid or has been payable as commission or brokerage by our Company for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for last five years preceding the date of this Draft Red Herring Prospectus:

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed promoter of our Company

As on date of this Draft Red Herring Prospectus, the securities of our Promoters are not listed on any stock exchange and our Promoters has not made any public issue or rights issue during the ten years immediately preceding the date of this Draft Red Herring Prospectus. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary.

Capital issue during the previous three years by our listed Group Company, Subsidiaries or associates of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any group companies, subsidiaries or associates.

Price information of past issues handled by the BRLMS

A. Bajaj Capital Limited

Nil

B. **Elara Capital (India) Private Limited**

Nil

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the BRLMs, as set forth in the table below:

Sr. No.	Name of Book Running Lead Manager	Website
1.	Bajaj Capital Limited	www.bajajcapital.com
2.	Elara Capital (India) Private Limited	www.elaracapital.com

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

SEBI, by way of its circular dated March 16, 2021 as amended by its circular dated April 20, 2022 ("March 2021 Circular "), 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. Per the March 2021 Circular, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for nonallotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment. 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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Separately, pursuant to the 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 /	₹100 per day or 15% per annum of the Bid	From the date on which the request for cancellation

Scenario	Compensation amount	Compensation period
withdrawn / deleted applications	Amount, whichever is higher	/ 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 post-Offer 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. The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares pursuant to the Offer, or such other period as may be prescribed under applicable law to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares pursuant to the Offer, or such other period as may be prescribed under applicable law to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Bidders can contact the Company Secretary and Compliance Officer 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 grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

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. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer 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 intimations and non-receipt of funds by electronic mode.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, 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.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company shall obtain authentication on the SCORES in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor grievances in the last three years prior to the filing of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus. Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 7 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Bandari Shiva Krishna, as the Company Secretary and Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems. For further details, see "*General Information*" on page 68.

Our Company has also constituted a Stakeholders' Relationship Committee, to review and redress shareholder and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, see "*Our Management*" on page 202. The Promoter Selling Shareholder has authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

The investors must ensure that their PAN is linked with their Aadhaar and they are in compliance with CBDT notification and press release dated February 13, 2020 and June 25, 2021, respectively.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the abridged prospectus and other terms and conditions as may be incorporated in the CAN (for Anchor Investors), Allotment Advice and other documents and certificates that may were or may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to offer for sale and listing and trading of securities, issued from time to time, by the SEBI, Government of India, Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as maybe prescribed by SEBI, RBI and/or any regulatory authority while granting approval for the Offer.

Ranking of Equity Shares

The Equity Shares being offered and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI Listing Regulations, SEBI ICDR Regulations, SCRA read with SCRR, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of transfer in accordance with applicable law. For more information, see "***Main Provisions of Articles of Association***" beginning on page 377.

Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our Shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared, after the date of Allotment (including pursuant to the transfer of Equity Shares in the Offer for Sale) in this Offer, will be received by the Allottees. For more information, see "***Dividend Policy***" and "***Main Provisions of Articles of Association***" on pages 232 and 377, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹10/- and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share. At any given point in time there will be only one denomination for the Equity Shares.

The Price Band, the minimum Bid Lot, was decided by our Company in consultation with the BRLMs, was published in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and all editions of [●], a Telugu newspaper (Telugu being the regional language of Andhra Pradesh, where our Registered Office is located), each with wide circulation at least two Working Days prior to the Bid/ Offer Opening Date, in, and were made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price were required to be pre-filled in the Bid-cum- Application Forms available at the respective websites of the Stock Exchanges.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable law and our Articles of Association, the Equity Shareholders will have the following rights:

- Right to receive dividend, if declared;
- 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 and e-voting;
- 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.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "***Main Provisions of Articles of Association***" beginning on page 377.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form.

Market Lot and Trading Lot

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "***Offer Procedure***" beginning on page 353.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/ authorities in Visakhapatnam, Andhra Pradesh.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

Nomination Facility

In accordance with Section 72 of the Companies Act read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, could 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. 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 or alienation of Equity Share(s) by the person nominating. 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.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- 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 90 days, our Board may thereafter withhold payment of all dividend, interests, 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 Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participants.

Withdrawal of the Offer

Our Company and Promoter Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would Offer a public notice in the same newspapers, in which the pre- Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of RIBs using the UPI Mechanism), to unblock the bank accounts of the ASBA Bidders and the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the StockExchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after within six Working Days of the Bid/ Offer Closing Date or such other time period as prescribed under applicable law; and (ii) the filing of the Prospectus with the RoC. If our Company in consultation with the Book Running Lead Managers, withdraw the Offer at any stage, including after the Bid/ Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/Offer Period

BID/OFFER OPENS ON*	**[●]**
BID/OFFER CLOSES ON**	**[●]#**

** Our Company and Promoter Selling Shareholder may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid / Offer Opening Date.*
*** Our Company and Promoter Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs, one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulation.*
 # UPI mandate end time and date was at [●] on [●].

An indicative timetable in respect of the Offer is set out below:

FINALISATION OF BASIS OF ALLOTMENT WITH THEDESIGNATED STOCK EXCHANGE	**On or about [●]**
INITIATION OF REFUNDS FOR ANCHOR INVESTORS/UNBLOCKING OF FUNDS FROM ASBA ACCOUNT(1)	**On or about [●]**
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS	**On or about [●]**
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ONTHE STOCK EXCHANGES	**On or about [●]**

(1) In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) 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 by the SCSB 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 non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date till the date of the actual unblock. The SCSBs shall compensate the Bidder, immediately on the date of receipt of complaint from the Bidder. From the date of receipt of complaint from the Bidder, in addition to the compensation to be paid as stated above, 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 on which grievance is received by the BRLMs or Registrar until the date on which the blocked amounts are unblocked.*

he processing fees for applications made by UPI Bidders 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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the BRLMs.

Whilst 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 6 Working Days of the Offer Closing Date, the timetable may be extended due to various factors, extension of the Bid/Offer Period by our Company and Promoter Selling Shareholder, in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, and the SEBI Notification No. SEBI/LAD-NRO/GN/ 2022/ 63 dated January 14, 2022, our Company shall within 4 days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription. In case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares it shall refund the entire money received on application within 4 days of receipt of intimation of such rejection. 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. The Promoter Selling Shareholder confirms that it shall extend such reasonable support and co-operation required by our Company and the BRLM for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within 6 Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI.

In terms of the UPI Circulars, in relation to the Offer, the BRLM will be required to submit reports of the compliance with timelines and activities prescribed by the SEBI in connection with the allotment and listing procedure within 6 Working Day from the Bid/Offer 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):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	[●]
	Bid/ Offer Closing Date*
Submission and Revision in Bids	[●]

**UPI mandate end time and date was at [●] on [●].*

On the Bid/ Offer Closing Date, the Bids were uploaded until:

- 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

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 in the relevant ASBA Account, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders were advised to submit their Bids one day prior to the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders were cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, some Bids would not get uploaded due to lack of sufficient time. Such Bids that could not be uploaded were not considered for allocation under the Offer. Bids were accepted only during Working Days.

Minimum Subscription

As prescribed, the minimum subscription in the Offer shall be 90% of the Offer. If our Company does not receive (i) the minimum subscription of 90% of the Offer on the Offer Closing Date and (ii) minimum Allotment as specified under Rule 19(2)(b) of the SCRR or if the subscription level falls below 90% on account of withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares to be listed on such Stock Exchanges, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days after our Company becomes liable to pay the subscription amount as prescribed under the SEBI ICDR Regulations, our Company and every Director of our Company who are officers in default, shall pay interest at the rate of 15% per annum. Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be treated in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debentures, warrants, securities premium notes, etc. issued by our Company.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of pre-Offer equity shareholding, minimum Promoters' contribution and Anchor Investor lock-in in the Offer, as detailed in *"**Capital Structure**"* on page 79 and as provided in our Articles as detailed in "***Main Provisions of Articles of Association***" on page 377, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation/ splitting.

OFFER STRUCTURE

The Offer is being made through the Book Building Process. The Offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Shares) aggregating up to ₹[●] million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹2100.00 million by our Company and an Offer for Sale of up to 4,300,000 Equity Shares aggregating up to ₹[●] million by the Promoter Selling Shareholder.

The face value of equity shares is ₹10/- each.

The Offer shall constitute [●] % of the post-Offer paid-up Equity Share capital of our Company. Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of such number of securities for cash consideration aggregating up to ₹ 400.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

The Offer is being made through the Book Building Process.

Particulars	**QIBs[1]**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for Allotment / allocation*[(2)]	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-InstitutionalBidders
Percentage of Offer size available for Allotment/ allocation	Not more than 50% of the Offer size. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will 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 balance QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to other QIBs.	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation out of which (a) one third shall be reserved for Bidders with Bids exceeding ₹200,000 up to ₹1,000,000; and (b) two-thirds shall be reserved for Bidders with Bids exceeding ₹1,000,000.	Not less than 35% of the Offer size or Offer less allocation to QIB Bidders and Non-InstitutionalBidders

Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): • Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and • [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Not more than [●] Equity Shares may be allocated on a discretionary basis to the Anchor Investors.	Proportionate	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see "*Offer Procedure*" on page 353 of this Draft Red Herring Prospectus.
Mode of Bidding	Through ASBA process only (except Anchor Investors).		

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares, thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares, thereafter.
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subjectto applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares, thereafter.		
Allotment Lot	A minimum [●] Equity Shares and in multiples of one Equity Share, thereafter.		
Mode of Allotment	Compulsorily in dematerialized form		
Trading Lot	One Equity Share		
Who can apply[4]	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹ 2,500 lacs, pension fund with minimum corpus of ₹ 2,500 lacs, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies (as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations).	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA (excluding for Anchor Investors) Form at the time of submission of the ASBA Form and in case of UPI as an alternate mechanism, Bid amount shall be blocked at the time of confirmation of mandate collection request by applicant.		

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
	In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors atthe time of submission of their Bids. [(3)]		

* *Assuming full subscription in the Offer.*

(1) Our Company and Promoter Selling Shareholder may, in consultation with the BRLMs allocate up to 60% *of the QIB Category to Anchor Investors on a discretionary basis. 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 made to other Anchor Investors. 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. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than5 % 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 all QIBs.*

(2) Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer 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 all QIBs. Further, not less than 15% *of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than* 35% *of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.*

(3) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. 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 details of terms of payment applicable to Anchor Investors, see "Offer Procedure" on page 353 of this Draft Red Herring Prospectus.

(4) 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. The signature of only such 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.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. 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. For further details, see "Terms of the Offer" on page 343 of this Draft Red Herring Prospectus.

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. Our Company, Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Withdrawal of the Offer

Our Company in consultation with the BRLMs, reserves the right not to proceed with the Offer, after the Bid/ Offer Opening Date, but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and shall promptly inform the Stock Exchanges on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be.

If our Company in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an initial public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

OFFER PROCEDURE

The Offer is being made through the Book Building Process. The Offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Shares) aggregating up to ₹[●] million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹2100.00 million by our Company and an Offer for Sale of up to 4,300,000 Equity Shares aggregating up to ₹[●] million by the Promoter Selling Shareholder.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and Allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid cum Application Form,) (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum 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 the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds;, (xiii) interest in case of delay in Allotment or refund; and (xiv) disposal of application.

*SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries 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 will continue 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/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer 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, as amended by 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/DIL2/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,00 shall use the UPI Mechanism. 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 BRLMs shall be the nodal entity for any issues arising out of public issuance process.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers 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 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 BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

Our Company, the Promoter Selling Shareholders, the BRLMs do not accept any responsibility for the completeness and *accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders 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, the Promoter Selling Shareholders, and the BRLMs are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Offer.*

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one -third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares shall be added back to the QIB Portion (other than Anchor Investor Portion). 5% of the net QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category 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 Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-thirds of such portion shall be reserved for applicants with application size of more than ₹1,000,000 provided that the unsubscribed portion in either of the sub-categories may be allocated to applicants in the other sub-category of non-institutional investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being receivedat or above the Offer Price.

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 combination of categories, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. In accordance with Rule 19(2)(b) of the SCRR, the Offer will constitute at least 10% of the post Offer paid-up Equity Share capital of our Company. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the IPO.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

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, UPI ID (for RIBs using the UPI Mechanism) and PAN, 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 the Equity shares rematerialised subsequent to allotment of Equity shares in the IPO.

Phased Implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the 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 to 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 payment mechanism, the UPI Circulars have introduced and implemented 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 RIB 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. Under this phase, submission of the ASBA Form without UPI by RIBs to Designated Intermediaries (other than SCSBs) for blocking of funds will be discontinued. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, 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 Streaming Circular 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 finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLMs will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in all editions of [●], a widely circulated English national daily newspaper; (ii) all editions of [●], a Hindi national daily newspaper; and (iii) [●], a widely circulated Telegu daily newspaper (Telegu also being the regional language of Andhra Pradesh, where our Registered and Corporate Office is located), on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering 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 Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders using the UPI.

Further, in terms of the UPI Circulars, 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.

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 ₹ 500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, 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, refer to the General Information Document available on the websites of the Stock Exchanges, and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the ASBA Form will also be available for download on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. RIBs and UPI Bidders are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (including Bidders using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

Investors must ensure that their PAN is linked with aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	**Colour of Bid cum Application Form***
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors	[●]

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) *Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).*

(2) *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges.

Subsequently, for ASBA Forms (other than UPI Bidders using UPI Mechanism), Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

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 Bidding using through the UPI Mechanism 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 Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) 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 Bank and the issuer bank. The Sponsor Bank and the Bankers to the Offer shall provide the audit trail to the BRLMs 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, SEBI circular no.

SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, 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 Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on a daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank on a continuous basis.

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 unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to U.S. QIBs in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Electronic Registration of Bids

- The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.
- On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Draft Red Herring Prospectus.
- Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation of Promoters and members of the Promoter Group of our Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for 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. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs or any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), our Promoters and members of our Promoter Group cannot apply in this Offer.

Who can Bid?

In addition to the category of Bidders, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in the Offer under the laws, rules, regulations, guidelines and policies applicable to them.

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 reserves 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% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% 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% of any company’s paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs 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 or confirm or accept the UPI

Mandate Request (in case of Retail Individual Investors 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 or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors 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.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (●).

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (●).

Participation of Eligible NRI(s) in the Offer shall be subjected to the FEMA Rules.

In accordance with the FEMA rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% 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 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% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Bids by HUFs

Hindu Undivided Families or HUFs, shall apply in the individual name of the Karta. The Bidder/Applicant should specify in the Bid cum Application form, that the Bid being made in the name of the HUF, as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs could be up to 100%, being the sectoral cap of the paid-up equity share capital of our Company on a fully diluted basis.

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 (blue in colour).

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. With effect from April 1, 2020, the aggregate limits for FPI investments are the sectoral caps applicable to our Company (i.e. up to 100% under the automatic route).

The FEMA Non-Debt Instruments Rules was enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Offer 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.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for Offer procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI, may Offer, 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.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI is permitted to Offer, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI;
- such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager ("MIM") structure;

- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;

- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;

- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;

- Multiple branches in different jurisdictions of foreign bank registered as FPIs;

- Government and Government related investors registered as Category 1 FPIs; and

- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents

Bids by SEBI registered Venture Capital Funds, Alternate Investment Funds and Foreign Venture Capital Investors

The SEBI FVCI Regulations, as amended and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI (under Schedule I of the FEMA Non- Debt Instruments Rules) registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way ofsubscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third (1/3rd) of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up. Our Company and BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents

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 reserves 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 which our Company in consultation with the BRLMs 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, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non- financial services, or 10% 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 investeecompany if:

- the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or
- the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time - bound action plan for disposal of such shares within a specified period to the RBI.

A banking company would require a prior approval of the RBI to make:

- investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and
- investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (No. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) 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 offers and clear demarcated funds should be available in such account for such applications.

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 reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended are broadly set forth below:

- 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;
- 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
- 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.

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 ₹ 250 million 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 BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

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, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, 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 reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs 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 BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, a certified copy of (i) the certificate of registration issued by the RBI, (ii) a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s) and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, must be attached to the Bid-cum Application Form.

Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

Our Company in consultation with the BRLMs, may consider participation by Anchor Investors in the Offer for upto 60% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI ICDR Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the Net QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. 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 ₹ 100 million.
- One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.
- Our Company in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

  1. maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
  2. minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 1,00 million but up to ₹2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
  3. in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹ 50 million per Anchor Investor.

- Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. 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 the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.
- Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 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 on the Anchor Investor Pay-in Date specified in the CAN. 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.
- There shall be a lock-in of 90 days on 50% of the shares allotted to the anchor investors from the date of allotment, and a lock-in of 30 days on the remaining fifty per cent of the shares allotted to the anchor investors from the date of allotment.
- The BRLMs or any associates of the BRLMs (other than mutual funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of the BRLMs or Alternate Investment Funds (AIFs) sponsored by the entities which are associate of the BRLMs or FPIs other than Category III sponsored by the entities which are associate of the BRLMs), our Promoters, Promoter Group or any person related to them will not participate in the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has any of the following rights shall be deemed to be a person related to the promoters or promoter group of

the Offeree: (i) rights under a shareholders' agreement or voting agreement entered into with promoters or promoter group of the Offeree; or (ii) veto rights; or (iii) right to appoint any nominee director on the board of the Offeree. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and made available as part of the recordsof the BRLMs for inspection by SEBI.

- Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

- Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

- For more information, see the General Information Document.

The above information is given for the benefit of the Bidders. Our Company, Promoter Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus. The investment limits for Systemically Important Non-Banking Financial Companies shall be as prescribed by RBI fromtime to time.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Pre- Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing this Draft Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of [●], an English national daily newspaper, (ii) all editions of [●], a Hindi national daily newspaper and all (iii) editions of [●], a Telugu newspaper (Telugu being the regional language of Andhra Pradesh, where our Registered Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This 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.

Allotment Advertisement

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and all editions of [●], a Telugu newspaper (Telugu being the regional language of Andhra Pradesh, where our Registered Office is located), each with wide circulation.

Signing of the Underwriting Agreement and the RoC Filing

- Our Company and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the determination of the Offer Price.

- After signing the Underwriting Agreement, an updated Draft Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be completein all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

Do's:

- Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Ensure that you have Bid within the Price Band;
- Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Retail Individual Investors using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID;
- Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
- Retail Individual Investors Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
- Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
- Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. RIIs using UPI Mechanism, may submit

their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP;

- In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;
- All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
- 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;
- Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
- Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
- Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) 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, and (iii) any other category of Bidders, including without limitation, multilateral/bilateral institutions, which 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;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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;
- Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
- Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Retail Individual Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
- Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
- However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.
- 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;
- In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form 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 http://www.sebi.gov.in);

- 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 the 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 at the time of submission of the Bid;
- Retail Individual Investors Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to Offer a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
- Retail Individual Investors Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;
- Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;
- Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices, which are re-categorised as category II FPI and registered with SEBI, for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and
- Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.
- Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned on the website of the SEBI, is liable to be rejected..

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not Bid for lower than the minimum Bid size;
- Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
- Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
- Anchor Investors should not Bid through the ASBA process;
- Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
- Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
- Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
- Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
- Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
- Do not Bid for a Bid Amount exceeding ₹500,000 (for Bids by UPI Bidders);
- If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
- Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- If you are a RII and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI

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- Do not submit the General Index Register (GIR) number instead of the PAN;
- Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
- Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
- 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 Investor. Retail Individual Investors can revise or withdraw their Bids until the Bid/Offer Closing Date;
- 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 Bidder;
- Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Investors using the UPI Mechanism;
- 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;
- 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);
- Do not submit more than one Bid cum Application Form per ASBA Account. If you are a Retail Individual Investor Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;
- Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;
- Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
- Anchor Investors shall not bid through the ASBA Process;
- Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company
- Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism); and
- Do not bid if you are an OCB

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 to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "***General Information***" beginning on page 68.

For helpline details of the BRLMs pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "***General Information - The Book Running Lead Managers***" on page 68.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) 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 non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The 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 details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Name of the Book Running Lead Manager	E-mail
Bajaj Capital Limited	info@bajajcapital.com
Elara Capital India (Private) Limited	vaibhav.ipo@elaracapital.com

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs 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 or as may be prescribed by SEBI from time to time.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the net offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Investors, Non Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to this Draft Red Herring Prospectus or the Prospectus.

The Allotment of Equity Shares to each NIB shall not be less than the minimum bid lot, subject to availability in the Non-Institutional Category, and the remaining available shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.

Allotment Procedure and Basis of Allotment

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. No Retail Individual Bidder will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Offeree is required to receive a minimum subscription of 90% of the Offer.

Allotment to RIBs

Bids received from the RIBs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Portion at or above the Offer Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Portion at or above the Offer Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**").

The Allotment to the RIBs will then be made in the following manner:

- In the event the number of RIBs who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

- In the event the number of RIBs who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

Allotment to NIBs

Bids received from NIBs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

Allotment to QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2018, this Draft Red Herring Prospectus or the Prospectus. Bids received from QIBs Bidding in the QIB Portion (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Portion 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:

1. In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Portion; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs;

2. In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Portion, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Undersubscription below 5% of the QIB Portion, if any, from Mutual Funds, may be included for allocationto the remaining QIBs on a proportionate basis.

Allotment to Anchor Investor (if applicable)

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of our Company in consultation with the Book Running Lead Manager, subject to compliance with the following requirements:

- not more than 60 % of the QIB Portion will be allocated to Anchor Investors;
- 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
- allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹ 100 million;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation more than ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.

- An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Offer.

- 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 our Company 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 Offer Price is higher than the Anchor Investor Offer Price, Anchor Investors will be sent a revisedCAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor andthe pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts,being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN withinthe pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

- In the event the Offer Price is lower than the Anchor Investor Offer Price, Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

Basis of allotment for QIBs (other than Anchor Investors), NIBs and Reserved Category in case of over-subscribed Offer

In the event of the Offer being over-subscribed, our Company, in consultation with the BRLMs may finalise the Basis of Allotment with the approval of the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.
The allocation may be made in marketable lots, on a proportionate basis as explained below:

- Bidders may be categorized according to the number of Equity Shares applied for;

- The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

- The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

- In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a drawof lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Offeree;

- If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple ofone (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Biddersin such categories may be arrived at after such rounding off; and

- If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

Designated Date and Allotment of Equity Shares

- Designated Date: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Offer Account with the Banker to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the Draft Red Herring Prospectus. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

- Issuance of Allotment Advice: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Offeree shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to theBidders/Applicants who have been Allotted Equity Shares in the Offer.

- The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

- Offeree will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of Equity Shares to the successful Bidders'/Applicants' Depository Account will be completed within six (6) Working Days of the Bid/Offer Closing Date.

Our Company shall ensure that "at par" facility is provided for encashment of refund orders for applications other than

Application Supported by Blocked Amount process.

Payment into Escrow Account for Anchor Investors

Our Company and Promoter Selling Shareholder, in consultation with the BRLMs, in their 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. Anchor Investors are not permitted to Bid through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT). For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of resident Anchor Investors: [●]

- In case of Non-Resident Anchor Investors: [●]

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholder, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among the Company, the respective Depositories and the Registrar to the Offer:

Our Company, along with the registrar to the Company, has entered into tripartite agreements dated February 15, 2022 and February 09, 2022 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares

Our Company International Securities Identification Number (ISIN) is INE0KNT01012

The above information is given for the benefit of the Bidders/applicants. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Undertakings by our Company

Our Company undertakes the following:

- Adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Forms from Anchor Investors;

- The complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six (6) Working Days of the Bid/OfferClosing Date or such other period as may be prescribed by SEBI;

- 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 ICDR Regulations and applicable law for the delayed period;

- The funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- Promoters’ contribution, if any, shall be brought in advance before the Bid/Offer Opening Date.

- The Allotment advice / refund confirmation to Eligible NRIs shall be dispatched within specified time, subject to availability of postal services in India;

- Except for the Equity Shares allotted pursuant to Pre-IPO Placement, no further Offer of the Equity Shares shall be made till the Equity Shares offered through the Draft Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.;

- If our Company does not proceed with the Offer after the Bid/Offer Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the EquityShares are proposed to be listed shall also be informed promptly;

    1. If our Company, withdraws the Offer at any stage including after closure of bidding, our Company shall be required to file a fresh draft offer document with the Board, in the event our Company subsequently decide to proceed with the Offer; and

    2. Our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Undertakings by the Promoter Selling Shareholder:

- the Equity Shares offered for sale by the Promoter Selling Shareholder is eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations, are fully paid-up and are in dematerialised form;
- shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- it is the legal and beneficial owner of and holds clear and marketable title to its respective portion of the Offered Shares, which are free and clear of any pre-emptive rights, liens, charges, pledges, or transfer restrictions, and shall be in dematerialized form, at the time of transfer;
- shall not have recourse to the proceeds of the Offer, which shall be held in escrow in its favour, until final approval for trading of the Equity Shares from the Stock Exchanges where listing is sought has been received;
- it is not debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any authority or court;
- it shall provide all reasonable co-operation as requested by our Company in relation to the completion of allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of its Offered Equity Shares offered by it pursuant to the Offer; and
- it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer.

Filing

A copy of this Draft Red Herring Prospectus has been filed electronically on the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with the SEBI circular bearing reference 73 SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and has been emailed to the SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure –Division of Issues and Listing –CFD."

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the RoC, and a copy of the Prospectus shall be filed with the RoC at its office located at the Registrar of companies, Vijayawada, 29-7-33, First Floor, Vishnuvardhanarao Street, Suryaraopet, Vijayawada-520002, Andhra Pradesh, as required under Sections 26 and 32 of the Companies Act, 2013 and through the electronic portal.

Utilisation of Offer Proceeds

Our Board of Directors certifies that:

- All monies received out of the 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 utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- Details of all unutilised monies out of the Fresh Offer, if any, shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

Impersonation

Attention of the Bidders 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 for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million 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 ₹ 5 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**") makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DIPP also offers the Consolidated Foreign Direct Investment Policy ("**FDI Policy**") from time to time. The Company is engaged in the activity of manufacturing of fish meal, fish oil and fish soluble paste. The FDI Policy issued by the DIPP permits foreign investment up to 100% in the manufacturing sector under the automatic route. No approvals of the Administrative Ministries/Departments or the RBI are required for such allotment of equity Shares under this Offer. The Company will be required to make certain filings with the RBI after the completion of the Offer. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, pressreleases, and clarifications among other amendments.

India's current FDI Policy issued by the DIPP with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP till October 15, 2020. All the press notes, press releases, clarifications on FDI issued by DIPP till October 15, 2020 stand rescinded as on October 15, 2020. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

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 FDI Policy and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019. 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.

Further, the existing individual and aggregate investment limits for an FPI in our Company are not exceeding 10% of the total paid-up Equity Share capital of our Company for each FPI and the total holdings of all FPIs in the Company shall not exceed 24% of the total paid-up Equity Share capital of our Company. The RBI, in exercise of its power under the FEMA, has also notified Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 to prohibit, restrict or regulate, transfer by or offer security to a person resident outside India. SEBI registered FPIs have been permitted to purchase shares of an Indian company through the Offer, subject to total FPI investment being within the individual FPI/sub account investment limit of less than 10% of the total paid-up equity capital on a fully diluted basis of the Company subject to the total holdings of all FPIs/sub accounts including any other direct and indirect foreign investments in the Company shall not exceed 24% of the paid-up equity capital of the Company on a fully diluted basis. The aggregate limit of 24% in case of FPIs may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Company concerned by passing of resolution by the Board of the Company to that effect and by passing of a special resolution to that effect by its Shareholders. With effect from April 1, 2020, the aggregate limit of 24% has increased to the sectoral cap applicable to the Indian Company which in case of the Company is 100%. As per the Regulations, the aggregate limit as provided above was permitted to be decreased by the Company to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors through a resolution and also of its shareholders by means of a special resolution, before March 31, 2020. The Company has passed no such Board Resolution and hence, has not revised its sectoral caps. Our Company falls within the applicable statutory ceiling limits which stand at 100% for the manufacturing sector under the FDI Policy.

Further, eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% of the total paid-up equity capital on a fully diluted basis subject to the aggregate paid-value of the shares purchased by all NRIs and OCIs put together on repatriation basis not exceeding 10% of the total paid-up equity capital on a fully diluted basis of the Company. The aggregate limit of 10% in case of NRIs and OCIs together may be raised to 24 % if a special resolution to that effect is passed by the shareholders of the Company. The shareholders of the Company have by their resolution dated December 29, 2021 approved such increase of limits of investment for the FPIs, NRIs and OCIs.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (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. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequentpurchase or sale transaction in the Equity Shares of our Company.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale 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 applicablelaws of such jurisdiction.

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 Bids 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 BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bidsare not in violation of laws or regulations applicable to them.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
(PART A)

OF

MANOJ VAIBHAV GEMS 'N' JEWELLERS LIMITED

(Incorporated under the Companies Act, 1956)

1. The regulations contained in Table F of the first schedule to the Companies Act, 2013 shall apply to the Company except so far as they are contrary to the following Articles, which shall be the regulations for the management of the Company. In the event of any conflict between these Articles and the Regulations in Table F, these Articles shall prevail.

Interpretation

2. (i) In the interpretation of these Articles, unless repugnant to the subject or context—

(a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

(b) "Articles" means these articles of association of the Company or as altered from time to time.

(c) "Board of Directors" or "Board", means the collective body of the directors of the Company.

(d) **"Board Meeting"** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

(e) **"Beneficial Owner"** shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act.

(f) **"Capital" or "Share Capital"** shall mean the share capital for the time being, raised or authorised to be raised for the purpose of the Company.

(g) **"Company"** means **"Manoj Vaibhav Gems 'N' Jewellers Limited"**

(h) **"Depositories Act"** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

(i) **"Depository"** shall mean a depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.

(j) "**Encumbrance**" shall mean
(i) encumbrance, including without limitation, any security interest, claim, mortgage, pledge, charge, hypothecation, lien, lease, assignment, deed of trust, title retention, deposit by way of security, beneficial ownership (including usufruct and similar entitlements), or any other similar interest held by a third Person,

(ii) security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law,

(iii) right of pre-emption, right of first offer, or refusal or transfer restriction in favour of any Person, or

(iv) any adverse claim as to title, possession or use.

(k) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

(l) "Seal" means the common seal of the Company.

(m) "SEBI" mean the Securities and Exchange Board of India.

(n) "SEBI Listing Regulations" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

(o) "Securities" means Securities as defines under the Act.

(p) **"Transfer"** shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word "**Transferred**" shall be construed accordingly.

(ii) Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Act or the rules, as the case may be.

Public Company

3. The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

Share capital

4. (i) The Authorised Share Capital of the Company shall be as specified in Clause V of Memorandum of Association of the Company with the power to increase or reduce such capital from time to time in accordance with the Articles and as per the applicable laws for the time being in force in this regard and also with the power to divide the Shares in the capital for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act, these Articles and other applicable laws.

(ii) Subject to the provisions of the Companies Act 2013 and the applicable Rules made thereunder, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such times as the Directors think fit.

(iii) Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on full payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

(iv) The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

a) Equity share capital:
b) Preference share capital

5. (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)The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, as amended from time to time, and the rules framed thereunder, if any.

(iii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary. Provided that in case the company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.

(iv) 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.

(v) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be prima facie evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of Depository shall be the prima facie evidence of the interest of the beneficial owner.

6. (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 fees for each certificate, as may be fixed by the Board.

(ii) The provisions of Articles (6) and (7) shall *mutatis mutandis* apply to debentures of the company.

7. Except as required by law, no person shall be recognized 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 recognize (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.

8. (i) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, 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 the Act and the Rules.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed by the Act and the Rules.

(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.

9. (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 such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

(ii) To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.

10. 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.

11. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

12. (i) 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.

13. Where at any time, the Company proposes to increase its subscribed Capital by the issue of further shares, such shares shall be offered—

(i) to Persons who, at the date of the offer, are holders of Equity Shares of the Company, in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares

(ii) to employees under a scheme of employees' stock option

(iii) to any Persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of the Act and any other conditions as may be prescribed under Law.

(iv) A further issue of securities may be made in any manner whatsoever as the board may determine including by way of preferential allotment or private placement subject to and in accordance with Companies Act and rules made thereunder with pricing method prescribed to listed entities under SEBI (Issue of Capital Disclosures and Requirements) Regulations, as amended from time to time, if applicable.

(v) The Company may issue bonus shares by way of capitalization profits or out of securities premium or otherwise in accordance with the Act and the Rules and other applicable provisions for the time being in force.

14. The Company shall have power to issue sweat equity shares to its employees or directors for cash or against consideration (other than cash) for providing know-how or making available rights in the nature of intellectual property rights or value additions by whatever name called, subject to the provisions of Section 54 of the Act and any other related provisions as may be required for the time being in force.

15. The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee stock option scheme, Employee stock purchase scheme or any other scheme, if authorized by the members in general meeting subject to the provisions of the Act, the Rules, applicable guidelines made there under and other applicable laws for the time being in force.

Issue of Securities

16. Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder and other applicable laws for the time being in force.

Debentures

17. Any debentures, debenture-stock or other securities may be issued at a discount (subject to the compliance with the provision of Section 53 of the Companies Act, 2013), premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination.

18. Subject to applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of securities) Rules, 2014 as amended from time to time.

19. The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

Lien

20. (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.

21. 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.

22. (i) To give effect to any such sale, the Board may authorize 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.

23. (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.

24. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

Calls on shares

25. (i)Subject to the provisions of Section 49 of the Act, 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) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

(iv) A call may be revoked or postponed at the discretion of the Board.

26. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

27. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

28. (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.

29. (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 articles 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.

30. 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 as may be fixed by the Board. Nothing contained in this clause shall confer on the member any right to participate in profits or dividends or any voting rights in respect of the monies so paid by him until the same would, but for such payment become presently payable by him.

31. The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including Debentures of the Company.

Transfer of shares

32. (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.

33. The Board may, subject to the right of appeal conferred by the Act, declines 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.

34. 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.

Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and transferee has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnify as the Board may think fit.

35. In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

36. On giving of previous notice of at least seven days or such lesser period in accordance with section 91 and rules made there under, 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.

37. Subject to the provisions of Section 59 of Companies Act, 2013, these Articles and any other applicable provisions of the Act for the time being in force, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the grounds of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

38. The Board may delegate the power of transfer of Securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s).

Provided that the delegated authority shall report on transfer of Securities to the Board in each meeting.

39. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Transmission of shares

40. (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 recognized 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.

41. (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.

42. The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

43. (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.

44. 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.

45. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other Securities including debentures of the Company.

46. In case of transfer and transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

Forfeiture of shares

47. If a member fails to pay any call, or installment 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 installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

48. The notice aforesaid shall—

(i) 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

(ii) 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.

49. 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.

50. (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.

51. (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.

52. (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, re-allotment 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, re-allotment or disposal of the share.

53. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

54. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

55. The provisions of these articles 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.

56. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Alteration of capital

57. 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 there solution.

58. Subject to the provisions of section 61, the company may, by ordinary resolution, —

(i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(ii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(iii) sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so however, that in the sub-division on the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived;

(iv) 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, and diminish the amount of its share capital by the amount of the shares so cancelled.

59. Where shares are converted into stock, —

(i) 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.

(ii) 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.

(iii) 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.

60. The company may, by a special resolution, as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —

(i) its share capital; and/or

(ii) any capital redemption reserve account; and/or
(iii) any securities premium account; and/or
(iv) any other reserve in the nature of share capital.

Dematerialisation of Securities

61. (i)Definitions For the purpose of this Article:

(a)'**Beneficial Owner'** means a person or persons whose name is recorded as such with a depository;

(b)'**SEBI**' means the Securities and Exchange Board of India;

(c)"Depository" shall mean a depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.

(ii) 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.

(iii)Notwithstanding anything contained in the Articles, the Company may in accordance with the provisions of the Depositories Act, 1996, be entitled to dematerialise its securities, debentures and other marketable securities in accordance with the applicable law and/or regulations promulgated from time to time.

(iv) Every person subscribing to securities offered by the Company may have the option to receive security certificates or to hold the securities with a Depository. The Beneficial Owner of the securities may at any time opt out of holding the securities with a Depository, in the manner provided by the Depositories Act, 1996; and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificates of Securities.

(v) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the Beneficial Owners.

(vi)Notwithstanding anything to the contrary contained in the Act or these articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner.

(vii) Save as otherwise provided in (iv) above, the depository as the registered owner of the securities shall not have any rights or any other rights in respect of the securities held by it.

(viii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member/ shareholder of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

(ix) Notwithstanding anything contained in the Act or the Articles to the contrary, where securities are held in Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs or any other drive.

(x) The Register and Index of Beneficial Owners maintained by a Depository under section 11 of the Depositories Act, 1996 shall be deemed to be the corresponding Register and Index of Members and Security holders for the purpose of the Articles.

(xi) The Company shall cause to be kept a register of members and index of members indicating separately for each class of equity and preference shares held by each member residing in or outside India, register of debentures and register of any other security holders either in in physical form or in electronic form.

(xii) The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act.

(xiii) Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of the physical papers.

(xiv) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

Capitalization of profits

62. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalize 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 or any other permissible 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 article.

63. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the amounts 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 infractions; 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

64. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 of the Act read with the Rules made thereunder from time to time, and as may be prescribed by the SEBI 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

65. In accordance with the provisions of the Act, the Company shall in each year hold Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. All general meetings other than annual general meeting shall be called extraordinary general meeting.

66. (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.

Proceedings at general meetings

67. 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.

68. (i) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

(ii) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

(iii) 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.

(iv) 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.

(v) On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

Adjournment of meeting

69. (i) The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same day in the next week at same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

(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

70. 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.

71. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

72. (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.

73. 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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

74. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

75. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

76. 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 or in regard to which the company has exercised any right of lien.

77. (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

78. 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.

79. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

80. 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.

81. Passing Resolutions By Postal Ballot

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time and applicable Law.

Board of Directors

82. 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). The Company shall also comply with the provisions of the Act, and the rules made there under and the provisions of the SEBI Listing Regulations with respect to constitution of the Board.

83. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

84. (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)The remuneration payable to the directors, including any managing director or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act and rules made there under and provisions of the SEBI Listing Regulations.

(iii) 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.

85. Every Director shall be paid a sitting fee of such sum and subject to the ceiling as may be prescribed by the Central Government from time to time for each meeting of the Board of Directors or of any Committee thereof attended by such director. The Board may, from time to time, decide quantum of sitting fees payable to a director for attendance at the Board Meeting or of any Committee thereof within the overall maximum limits prescribed apart from travelling and other expenses.

86. 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.

87. (i) Subject to the provisions of the Act, 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, subject to applicable laws, rules or regulations, 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.

88. (i) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

(ii) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

(iii) If the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original director, and not to the alternate director.

89. (i) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate next general meeting.

(ii) The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

90. 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.

91. The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations. 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.

92. (a) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

(b) The Company shall in respect of each of its Directors and key managerial personnel keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

Independent Director

93. The Board of Directors may appoint such number of Independent Directors as may be required to be appointed under Act, and under SEBI Listing regulations as amended from time to time.

94. (i) Independent directors shall possess such qualification as required under the act and under SEBI Listing regulations as amended from time to time.

(ii) Independent Director shall be appointed for such period as prescribed under relevant provisions Act, Schedules thereof under SEBI Listing regulations as amended from time to time.

Powers of Board

95. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made

Proceedings of the Board

96. (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.

(iii) The quorum for a Board meeting shall be as provided in the Act and as provided in SEBI Listing regulations and directors participating through electronic mode in a meeting shall be counted for the purposes of quorum.

(iv) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio-visual means or any other mode as may be permitted by the Act and Rules.

(v) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency.

97. (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.

98. 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.

99. (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 members to be Chairperson of the meeting.

(iii) Any Director so appointed to the office of Chairperson shall not be deemed to have vacated the said office of Chairperson, by reason only that he retires or vacates at any Annual General Meeting of the Company and is re-elected at the same meeting.

100. (i) The Board of the Company shall in accordance with act, rules or any other Law and the provisions of the SEBI Listing Regulations, as amended from time to time, form such committees as may be required in the manner specified therein, if the same are applicable to the Company.

(ii) The participation of directors in a meeting of the committee may be either in person or through video conferencing or audio visual means or any other mode as may be permitted by the Act and Rules and the SEBI Listing regulations.

101. (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 fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

102. (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 of the committee shall have a second or casting vote.

(iii) 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 or that his or their appointment had terminated, be as valid as if every such director or such person had been duly pointed and was qualified to be a director.

103. Save as otherwise expressly provided in the Act, a resolution in writing, signed by a majority of 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.

104. The Company shall prepare and maintain minutes of Meeting of the Board, Committees and shareholder as per the provisions of the Act and other applicable provisions, as amended from time to time.

Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer

105. 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;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Managing Director/ Whole- Time Director/ Executive Director

106. Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full-time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairperson of the Board as the Managing Director / whole time director or executive director of the Company.

107. Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall, subject to the provisions of any contract between such director and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company,

107A. Except Managing Director of the company, all other directors excluding Independent Directors are liable to retire by rotation.^

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^ The shareholders of the company by passing ordinary resolution at their Extra Ordinary General Meeting held on 10th August, 2022 inserted new Article 107A after existing Article 107.

108. Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. The Managing Director shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.

Powers to Borrow

109. (i)The Board of Directors may from time to time but with consent of the Company in general meeting as may be required under section 180 of the Companies Act, 2013 read with rules made thereunder, by a resolution passed at a Meeting of the Board raise any money or any monies or sums of money for the purpose of the Company; provided that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 180 of the Act and the rules made thereunder. The Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, at such times and in such manner and upon such terms and conditions as they deem fit by the issue of debt instruments, debentures, or perpetual annuities, debenture stock, promissory notes, or by opening current accounts, or by receiving deposits and advances with or without security, or by issue of bonds and in security of any such money so borrowed, raised or received, to mortgage, pledge or charge, the whole or any part of the undertaking property, rights, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities in accordance with the acts, rules and regulations as applicable to the Company.

(ii) Provided that the Directors may by resolution at a meeting of the Board delegate the power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Director or Whole-Time Director or Manager subject to the limits upto which the money may be so borrowed as may be specified in the said resolution.

Registers

110. The Company shall keep and maintain at its registered office or at any other place in India as may be permitted by the Act and rules, all statutory registers including, 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 Seal

111.(i) The Company may have common seal and 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 authorized by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid may sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

112. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

113. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times, as it may think fit.

114.(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 applied for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing 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, thinks 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.

115. (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.

116. (i) 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.

(ii) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

117. (i) Any dividend, interest or other monies payable in cash in respect of shares maybe paid by electronic mode or 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.

118. 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.

119. 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.

120. No dividend shall bear interest against the company.

Accounts

121."The Board shall cause proper books of account to be maintained under Section 128 and other applicable provisions of the Act.

122.(i) 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.

(ii) 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 authorized by the Board or by the company in general meeting.

(iii) Directors are entitled to examine the books, accounts and records of the Company in accordance with the provisions of the Act.

Winding up

123. Subject to the applicable provisions of the Act and the 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.

Constructive Notice

124. The Article of Association is a public document and the person performing business or investing in the company is considered to be fully aware of the rules and regulations of the company.

Indemnity

125.(i) Subject to the provisions of the Act, every director managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

(ii) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

(iii) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

SECTION IX - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting 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) which are, or may be, deemed material, will be attached to the copy of the Red Herring Prospectus and the Prospectus, as applicable, which will be delivered to the RoC for filing. Copies of the abovementioned documents and 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 Bid/ Offer Closing Date.

Any of the contracts or documents mentioned in this Draft 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 with the provisions of the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Offer Agreement dated September 05, 2022 amongst our Company, the Promoter Selling Shareholder and the BRLMs.

2. Registrar Agreement dated September 03, 2022 amongst our Company, the Promoter Selling Shareholder and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated [●], 2022 amongst our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Bank and the Refund Bank(s).

4. Share Escrow Agreement dated [●], 2022 amongst our Company, the Promoter Selling Shareholder and the Share Escrow Agent.

5. Syndicate Agreement dated [●], 2022 amongst our Company, the Promoter Selling Shareholder, the BRLMs and the Syndicate Members.

6. Underwriting Agreement dated [●], 2022 amongst our Company, the Promoter Selling Shareholder and the Underwriters.

B. **Material Documents**

1. Certified copies of the MoA and AoA of our Company, as amended.

2. Certificate of incorporation dated March 13, 1989, fresh certificate of incorporation dated March 09, 1998 consequent to change in name of the Company becoming a deemed public company, fresh certificate of incorporation dated September 13, 2002 consequent to name change after our Company regaining its status as a private limited company fresh certificate of incorporation dated June 11, 2003 consequent to change in name, fresh certificate of incorporation dated July 4, 2016 consequent to change in name and fresh certificate of incorporation dated May 13, 2022 conversion into a public company.

3. Resolution of the Board and Shareholders dated August 22, 2022 and August 24, 2022, respectively, in relation to the Offer and other related matters.

4. Resolution of our Board dated September 05, 2022 approving the Draft Red Herring Prospectus for filing with the SEBI and Stock Exchanges.

5. Employment Agreement dated February 12, 2022 between Company and Bharata Mallika Ratna Kumari Grandhi.

6. Copies of the annual reports of our Company for the Financial Years 2022, 2021 and 2020.

7. The examination report of the Statutory Auditor dated August 22, 2022, on our Restated Financial Information, included in this Draft Red Herring Prospectus along with the Restated Financial Information.

8. The statement of special tax benefits dated August 22, 2022 issued by the Statutory Auditors.

9. Consent letter dated August 22, 2022 provided by the Promoter Selling Shareholder consenting to participate in the Offer for Sale.

10. Employment agreements dated March 01, 2022 entered into between Company Grandhi Sai Keerthana and Grandhi Sai Sindhuri with respect to the terms and conditions of the appointment.

11. Written consent of the Directors, Company Secretary and Compliance Officer, the BRLMs, the Syndicate Members, Legal Counsel to our Company, lenders to our Company, Registrar to the Offer, Escrow Collection Bank(s), Public Offer Bank(s), Refund Bank(s), Sponsor Bank, Bankers to our Company, as referred to in their specific capacities.

12. Consent dated August 31, 2022 from Technopak to rely on and reproduce part or whole of the Technopak Report and include their name in this Draft Red Herring Prospectus.

13. Our Company has received written consent dated September 03, 2022 from Sagar & Associates, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) Restated Financial Information and their examination report dated August 22, 2022 and (ii) their statement of special tax benefits dated August 22, 2022 included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

14. Our Company has received written consent dated August 22, 2022 from G.Sekhar Reddy, Chartered Engineer, to include his name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in his capacity as the chartered engineer in respect of information certified by him on providing their estimates for the objects of this issue, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

15. Technopak Report dated August 31, 2022, titled "Indian Jewellery Retail Industry Report".

16. Due diligence certificate dated September 05, 2022 addressed to SEBI from the BRLMs.

17. In- principle approvals dated [●], 2022 and [●], 2022 issued by BSE and NSE, respectively.

18. Tripartite agreement dated February 15, 2022 between our Company, NSDL and the Registrar to the Company.

19. Tripartite agreement dated February 09, 2022 between our Company, CDSL and the Registrar to the Company.

20. SEBI final observation letter bearing reference number [●], 2022 and dated [●], 2022.

DECLARATION

We, Grandhi Bharata Mallika Ratna Kumari (HUF), hereby confirm that all statements, disclosures and undertakings specifically made by us in this Draft Red Herring Prospectus in relation to ourselves, as Promoter Selling Shareholder and our Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

FOR AND ON BEHALF OF GRANDHI BHARATA MALLIKA RATNA KUMARI (HUF)

Name: **Bharata Mallika Ratna Kumari Grandhi**
Kartha

Place: Vishakapatnam, India
Date: September 05, 2022

DECLARATION

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

SIGNED BY THE DIRECTOR OF OUR COMPANY:

G.B.M. Ratnakumari

Bharata Mallika Ratna Kumari Grandhi
Chairperson & Managing Director
DIN: 00492520

Place: Vishakapatnam, India
Date: September 05, 2022

DECLARATION

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

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Grandhi Sai Keerthana
Whole-Time Director and Chief Financial Officer
DIN: 05211918

Place: Vishakapatnam, India
Date: September 05, 2022

DECLARATION

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

SIGNED BY THE DIRECTOR OF OUR COMPANY

G. Sindhuri

Grandhi Sai Sindhuri
Executive Director
DIN: 02795856

Place: Vishakapatnam, India
Date: September 05, 2022

DECLARATION

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

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sridevi Dasari
Independent Director
DIN: 07512095

Place: Vishakapatnam, India
Date: September 05, 2022

DECLARATION

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

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Ramesh Babu Nemani
Independent Director
DIN: 08089820

Place: Vishakapatnam, India
Date: September 05, 2022

DECLARATION

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

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Adabala Seshagiri Rao
Independent Director
DIN: 09608973

Place: Vishakapatnam, India
Date: September 05, 2022